

On the irregular pay roll for the month of April, 1931, there is a long list. I will not take the time to read them. I think there are between 70 and 90. I saw in the testimony somewhere that there were 96.

Mr. SMOOT. Mr. President, this is the testimony before the committee:

Mr. SCATTERGOOD. In compliance with the request of the committee, we submit a statement showing forestry employees for the month of January, 1932; copy of a letter dated February 3, 1932, and addressed to the Comptroller General with reference to travel expenses on the reservation, and there is also submitted copy of a timber-sale contract providing for fixed increases in stumpage prices on the Klamath Reservation.

I could go over the list of the positions and the salaries paid. There is a total of 25 forest employees on the Klamath Reservation.

Mr. KING. Mr. President, notwithstanding what my colleague says—and I know that he believes that he has stated the facts—

Mr. SMOOT. I am only stating what Mr. Scattergood testified before the committee.

Mr. KING. I understand.

Mr. SMOOT. It is printed in the hearings, and I took it for granted it was correct.

Mr. KING. I think my colleague is justified in assuming that. I read from the House hearings, may I say?

Mr. SMOOT. Were those the hearings of this year, or for last year?

Mr. KING. Hearings on the Interior Department appropriation bill, 1933. The hearings started December 15, 1931.

Mr. SMOOT. The 1931 hearings?

Mr. KING. They started December 15, 1931, since Congress met last December.

Hearings conducted by the subcommittee, Messrs. EDWARD T. TAYLOR (chairman), WILLIAM W. HASTINGS—

And so forth.

Mr. SMOOT. I ask my colleague to excuse me for interrupting him.

Mr. KING. I have no objection at all. I know my colleague desires to have the facts, and I am sure that is all I desire, and if he finds I have made an error at any time, I shall be glad to have him or others invite my attention to it.

Mr. SMOOT. I was going to say that we wanted to know why the appropriation was cut from \$250,000 down to \$140,000, and the reason appears in the testimony. The number of employees is shown in the testimony. There were a great many more employees a year ago than there will be this year, and my colleague knows why. There is hardly any sale for timber, or very little sale, even though the timber cut on the Klamath Indian Reservation is the finest timber in the United States.

I did not want it to appear that we had cut the appropriation from \$250,000 down to \$140,000 and kept the same number of people on the reservation.

Mr. KING. Mr. President, I have here a statement, handed me day before yesterday by Mr. Crawford, the representative the Indian tribes sent here, commissioned by them, which shows 50 permanent employees, and he informed me that there are so-called irregular employees considerably in excess of 50. These employees are now drawing compensation; they have been in the reservation all winter, but with little, if anything, to do. So that these Indians are compelled to pay not only for these 50 permanent employees, but also the compensation of an army of so-called temporary, or so-called irregular employees. None of the permanent employees are Indians, notwithstanding their competency to discharge important duties now performed by permanent employees who are under the civil service.

Mr. NORRIS. Mr. President, I would like to know what reason there is for not employing the Indians. It would seem to me that if there are Indians who are competent they ought to be given the positions.

Mr. KING. I agree with the Senator. I can find no reason. There is much talk about educating Indians and qualifying them for service, but when they are qualified they are not employed. One of the Indians informed me that the

effort of the bureau was to get whites there who have no civil-service status, to induct them as irregular employees, and then advance them until they have a civil-service status. By this course few Indians found employment in permanent positions. Doubtless the claim is made that the Indians are not competent for responsible positions.

Mr. SMOOT. If my colleague desires, I am perfectly willing to have a recess taken at this time.

Mr. McKELLAR. Mr. President, I want to offer an amendment, to have it printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received and lie on the table.

Mr. McNARY. Mr. President, I remind Senators that the senior Senator from California [Mr. JOHNSON] notified the Senate a few days ago that he would want to speak on another subject to-morrow at 12 o'clock.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. SANDLIN, and Mr. SIMMONS were appointed managers on the part of the House at the conference.

AMENDMENT OF WORLD WAR VETERANS' ACT

Mr. NORRIS. Mr. President, I move that the Committee on Finance be discharged from the further consideration of the bill (S. 929) relating to the taking of depositions in cases arising under section 19 of the World War veterans' act, 1924, as amended.

The PRESIDENT pro tempore. The motion will be entered and lie over one day.

RECESS

Mr. McNARY. I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, March 15, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 14, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord and Father of us all, with our waiting breath we lift to Thee our prayer of gratitude. In our sins and in our failures do Thou remember mercy. May we wear worthily the badge of our station and be earnest, brave, and true in these vital days of the Republic. Endue us with the love that envies not, that seeks not its own but labors and suffers for the advancement of all good. May our love of country be an adult and a noble desire to make it of the greatest possible service to citizens of all sections. Persuade us always that reliance on physical force alone is the road to ruin and that cooperation, brotherhood, and unselfishness can stand all tests under all circumstances and never be ashamed. Do Thou remember our Speaker, every Member and officer of this Congress. Touch all of our firesides and fill them with the sweetest joy. Amen.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes a point of order that no quorum is present. The Chair will count.

During the counting Mr. BLANTON withdrew the point of order.

THE JOURNAL

The Journal of the proceedings of Saturday last was read and approved.

AMENDMENT TO THE EIGHTEENTH AMENDMENT TO THE CONSTITUTION

Mr. LINTHICUM. Mr. Speaker, under clause 4, Rule XXVII, I move that the Committee on the Judiciary be discharged from further consideration of House Joint Resolution 208.

The SPEAKER. The Clerk will report the resolution by title.

Mr. PARKS. Mr. Speaker, will the gentleman yield?

The SPEAKER. For what purpose does the gentleman from Arkansas rise?

Mr. PARKS. I desire to have inserted in the RECORD a telegram from the Young Men's Christian Association opposing this resolution.

The SPEAKER. This rule is specific, and the Chair will not recognize any Member of the House for any other proposition. The Clerk will report the resolution by title.

The Clerk read as follows:

House Joint Resolution 208, proposing an amendment to the eighteenth amendment to the Constitution.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. In regard to the division of time, I should expect the chairman of the Judiciary Committee to have the 10 minutes in opposition to the motion. I would like to ask him if he will yield five minutes to this side of the aisle?

The SPEAKER. The rule is specific. The gentleman making the motion is entitled to 10 minutes, and if the chairman of the Committee on the Judiciary is opposed to the motion, he would be entitled to 10 minutes. If he is of the same opinion as the gentleman from Maryland on this particular motion, the Chair would recognize some one on the committee who desired to oppose it. Whether the gentleman from Texas will yield is a question for the gentleman from Texas.

Mr. SNELL. It seemed only fair that this side should have some time.

The SPEAKER. The Chair thinks that is not a parliamentary inquiry.

Mr. SNELL. I would like to ask the chairman of the committee if he will not yield some time. I think it is fair that the time should be divided.

The SPEAKER. That is a question for the chairman of the Judiciary Committee.

Mr. SUMNERS of Texas. Mr. Speaker, I have given some consideration to the question asked by the gentleman from New York. In regard to 10 minutes that is assigned to the gentleman from Maryland, I assume that that time will be, if it has not already been, allotted by the gentleman from Maryland. I would not be disposed to yield just five minutes to the other side of the aisle. I would be glad to yield time to any gentleman on the other side of the aisle who is going to support the position of the committee.

Mr. SNELL. That is what I had in mind.

Mr. SUMNERS of Texas. To be perfectly fair with the gentleman, I want some control over the disposition of the time that goes to the other side of the aisle.

Mr. SNELL. Those that I had in mind who desired to speak are opposed to the resolution.

Mr. SUMNERS of Texas. I have already told the gentleman from Ohio [Mr. MOORE] that I would yield him three minutes. He is a member of the committee.

Mr. SNELL. If the gentleman can yield to the gentleman from New York [Mr. DAVENPORT], I would like to have him do it.

Mr. LA GUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LA GUARDIA. The Speaker announced that he would recognize no Member for any purpose. Does that preclude a Member from asking unanimous consent to extend the time for debate under the rule?

The SPEAKER. The rule limits the time and provides that there shall be 10 minutes on a side.

Mr. LA GUARDIA. I ask unanimous consent that the time be extended 10 minutes on each side.

Mr. CRISP. Mr. Speaker, I object.

The SPEAKER. It seems to the Chair that it is his duty to protect the rule. Being a Member of the House, he will say himself that he would object to any additional debate, taking as much responsibility as he can in the premises.

Mr. DYER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DYER. The Committee on the Judiciary of the House, which it is sought to discharge from further consideration of this joint resolution now before the House, voted 9 to 14 upon the resolution. If the gentleman from Texas [Mr. SUMNERS], the chairman of the Committee on the Judiciary, is to control the time upon one side of this issue, is it not in order that the minority ranking member on the committee in favor of this legislation should control the time otherwise?

The SPEAKER. It is not. The gentleman from Maryland [Mr. LINTHICUM] is recognized for 10 minutes.

Mr. LINTHICUM. Mr. Speaker, I yield myself two minutes. In the very short time I have it will be difficult for me to have very much to say. The crucial time in the history of this proposition has arrived. To-day, after 12 years, we have reached a chance to vote upon whether the eighteenth amendment shall be submitted to the people. Scripture tells us that he who is not with us is against us, and I say that he who votes against this resolution to-day is not willing to submit the question to a vote of the people.

Mr. BACHMANN. Mr. Speaker, will the gentleman yield?

Mr. LINTHICUM. I yield for a short question.

Mr. BACHMANN. If the House votes to consider this resolution to-day, will the gentleman support the Tucker amendment, inserted in the resolution by the Committee on the Judiciary, to prohibit the return of the saloon?

Mr. LINTHICUM. If I believed that the old saloon was coming back in case the eighteenth amendment was repealed, I should not be for the repeal of the eighteenth amendment. [Applause.] Further, if the House gives us a chance to consider the resolution and an amendment is offered by which no saloons can again appear in this country, I shall support that amendment and shall use my influence with my friends for its adoption.

My construction is that the dries in this House can vote for this discharge and subsequently for the resolution without injury to themselves, because it is a mere submission to the will of the electorate. Certainly, with the thousands upon thousands expressing themselves as opposed to the present state of affairs, they should have a right to express their views. This question can never be settled until it is settled right, and it can never be rightly settled until it is submitted to the direct vote of the people.

Certainly no one can say that this "noble experiment" has not had a fair trial. It has been weighed in the balance and found wanting. After 12 years of attempted enforcement, the whole land finds itself in great distress. Since January, 1920, to July 30, 1931, there have been 700,000 people arrested, and 500,000 convicted, and our jails are crowded. Liquor mash to the extent of over 266,000,000 gallons have been seized, fines to the extent of \$60,000,000 have been collected, and property aggregating \$231,000,000,000 has been seized or confiscated. We have lost a revenue of \$10,984,000,000, and yet the drink bill has aggregated \$28,000,000,000.

It is not, however, the loss of funds which has so blasted our country, but this law has lowered the morals of our people and made hypocrites of many of the best of society. We do not seek to violate the Constitution, but we do seek to so amend this vital article 18 that it will not be violated by the people of our land.

Pass this resolution, and depression will fade away like the mists before the noonday sun. The immorality of the country, racketeering, and bootlegging will be a thing of the past.

The SPEAKER. The time of the gentleman from Maryland has expired.

Mr. LINTHICUM. Mr. Speaker, I reserve the remainder of my time.

Mr. SUMNERS of Texas. Mr. Speaker, I yield three minutes to the gentleman from Ohio, Mr. MOORE.

Mr. MOORE of Ohio. Mr. Speaker, the gentleman from Maryland [Mr. LINTHICUM] has admitted in the beginning that his resolution is faulty and he would accept an amendment to keep out the saloon. Yet, after a conference upon the part of our wet friends, they tell us that they are unanimous in their agreement upon this resolution. This resolution does permit the return of the saloon. I have talked with some of the most active wets in this House privately and they admit to me that the saloon is not prohibited, and that they expect the saloon to return if the Beck-Linthicum resolution is adopted. The American people do not want the saloon to return.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Ohio. I will not. Furthermore, this puts the question of prohibition in politics every two years, not only in the States but every two years in the national election. Once we will be asked to elect a Congress favoring prohibition, and again license or a dispensary system. If this resolution should become a part of the Constitution, we will have a divided sovereignty and be in the anomalous situation of some States taking over the question of the liquor traffic and the National Congress legislating for the other States, a situation unheard of in the history of any national body like this.

Now as to submitting the question to the people, those who appeal to the people ought to be fair with them. They know that there is no method provided in the Constitution by which we can have a referendum. In the States those who are elected as delegates to a constitutional convention would be elected by the people, just the same as we are elected, and if you have constitutional conventions in the several States they would have to vote for representatives to conventions. An unlimited number of dries and wets, and some not stating their position could, and doubtless would, be candidates for the constitutional conventions in the several States. I have seen that happen in Ohio in our State constitutional conventions. It is quite possible for a wet delegate to represent a dry constituency. Those who are so solicitous of the people and who want them to vote upon this proposition ought not to deceive the people, and yet there are those who think there is some way whereby they are directly submitting something to the people. The Beck-Linthicum resolution presents little that is really new on the subject. It is, in effect, going back to the old system of State control, which we tried for over a hundred years and which was unsatisfactory. When the American people know what is proposed in this resolution they will be against it and in favor of a continuance of the eighteenth amendment. [Applause.]

Mr. SUMNERS of Texas rose.

Mr. SNELL. There is no other demand for time on this side at the present time.

Mr. LINTHICUM. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, we, the representatives of the people, have the opportunity by our votes to-day to start a movement that will put an end to the unholy alliance existing between many of the God-fearing people of this country and the bootleggers, hi-jackers, extortionists, and kidnapers.

I am anxious to see the splendid membership of this House returned to the next Congress. This, however, to my mind, will depend in a large measure on how we vote on the resolution now before us.

The prohibition law never can be enforced. An attempt to make it a law of the land, after the lessons we have learned, is not an attempt to enforce the law, it is a wicked attempt to awe the American people, to tyrannize over a land that once was free, to destroy the resistance, the devotion, and the independence of a great nation with bullying and threatening, with blindness, imprisonment, and death. Calmly the young and the innocent are included along with all others. For more than 10 years millions of people have refused to be coerced by this fanatical law. More money has been spent in an effort to enforce it than

all other Federal statutes. As many men and women have been sent to prison by our Federal courts for the violation of this statute as for all other offenses put together. More lives have been recklessly and wantonly taken in the mad effort to make the United States dry than the efforts in behalf of all the rest of the Criminal Code. This law has developed more sneaking, snooping, informing, prying, and entrapping than all the others acts of Congress. We have submitted to enormous taxation through these 12 years that the fanatics should have their way, and now after 12 years of a merciless crusade the protest against the bigotry that stands back of this legislation is stronger than ever before. This protest is growing so insistent that it threatens the peace and security of the country.

The prohibitionists care nothing about the nature of men, the theories of government, or the lessons of history. The true statesman knows that laws should be like clothes—made to fit the citizens that make up the State. He knows that when a protest is long and persistent the law should be repealed. The tyrant believes that if the laws do not fit the people then the people must be bent to fit the laws and forced to obey.

The prohibition act, in effect, brands every one who takes a drink as a criminal, as a felon. It does this in spite of the fact that the greatest men in the world have always taken intoxicating drinks. If we were to discard all the literature produced by men who drank, all the great classics would be consigned to flames; there would be no literature, no art, no music, no statesmanship if we relied on the prohibitionist for works of genius. Even if it were proven that the use of alcohol in moderation was harmful to the individual that would furnish no excuse for sending men to jail for making it and selling it and drinking it.

Let us by our vote to-day start the machinery that will eventually strike from our sacred Constitution the iniquitous amendment that should never have been added to it. If we do this, we will restore to the States of the Union the sovereign right that should never have been taken away from them. [Applause.]

Mr. LINTHICUM. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. Mr. Speaker, I object to any extension of remarks.

Mr. O'CONNOR. Mr. Speaker, in the few minutes allotted to me it is, of course, impossible to even touch upon the importance and far-reaching effect of the vote about to be cast here to-day for the resubmission of the eighteenth amendment.

After 12 years of experiment with national prohibition we are afforded to-day the first opportunity in all those years to ascertain the sentiment of all the Representatives in Congress on this question. It is a big day in this House and an important day to the liberty-loving people of our country.

Practically an entirely new body is voting on the question, because there are only 82 Members of this House who voted on the eighteenth amendment in 1917.

It is amusing to see the about-face of the prohibition forces on the interpretation of this vote to-day. They vehemently and threateningly oppose any submission of this question to the States or the people. Yet in 1917 they argued that the vote to submit the eighteenth amendment was not a personal vote of Members of Congress but rather a compliance with their sworn duty to submit to the people any question of constitutional amendment when any considerable number of our people demanded an opportunity to pass upon the proposal.

Listen to these outstanding prohibitionists in 1917:

Senator SHEPPARD, of Texas, sponsor of the eighteenth amendment, said at that time:

The Member of Congress who will not vote for the submission of a constitutional amendment to the decision of the States, where it belongs, unless he personally believes it should become a part

of the Constitution, usurps the function of the States, arrogates to himself and the Federal Government a prerogative that belongs to the States and violates the very essence of their sovereignty.

Senator JONES, of Washington, author of the famous "5-and-10" law, said:

The Constitution provides the way for its amendment. Congress can not do it, but it can propose amendments to the people, who alone can adopt them. I believe it to be my duty as a Senator to vote to submit an amendment to the States where there is a strong, matured, widespread sentiment and demand from the people for such an amendment. To refuse to do so is to act as the master rather than as the representative of the people.

And last but "greatest of all," hear Bishop Cannon, who said:

It does not seem to me that in view of the general trend of political thought in our day, whenever it becomes evident that a large percentage of the people desire an opportunity to express themselves upon a great question, the body in whose hands is committed the right to decide whether the people shall have that opportunity should at least divide the responsibility with the people as to the decision of that question.

If the position of those prominent prohibitionists was sound in 1917, why are not identical arguments sound in 1932? The people have demanded an opportunity to pass upon this vital question. Why deny it to them?

Any "dry" can consistently vote to give the people this opportunity. No "wet" can refuse to vote to discharge the committee, lest he or she be forever after branded as a "dry." No alibi will go.

'Tis the ides of March! Stand up and be counted! [Applause.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield to myself five minutes. [Applause.]

Mr. Speaker, the question before the House is whether the Committee on the Judiciary shall be discharged and the Linthicum-proposed amendment to the Constitution come immediately to the floor of the House for consideration.

Some definite questions are involved in the answer to that question. The first proposition which presents itself is, considering the economic problems now pressing for solution, the hunger, the unemployment, the general economic distress, should this highly controversial issue, this issue calculated to divide and distract our people be now brought to the floor of the House for consideration? What is the practical common-sense thing to do?

There can be no question that the economic difficulties which now confront the American people are equal to the united, determined, concentrated effort of this people operating at their greatest capacity. Is that not true? Now, right down on the barrel head, as we used to say in the country, does anybody doubt that the economic difficulties of this country are equal to the supreme effort of a united people? Then why, when we are in the middle of this effort, prohibitionist and antiprohibitionist trying to work together, bring in an issue which will tend to prevent the unity and the teamwork necessary to give us the best chance to deal with the economic problems which we now have before us. Every threat and every danger which could imperil the most basic interest of society are involved in what we now have on the table—

Mr. DYER. Will the gentleman yield?

Mr. SUMNERS of Texas. No; I am sorry.

Is there anybody, wet or dry, who believes that if we thrust this prohibition issue into our present situation, by sending the proposed amendment to the Constitution to the country now, we can then have a united people to deal with this terrible economic crisis of ours? Of course not. That is just horse sense.

I submit another question. Is there a man or woman on the floor of this House who will say that he or she believes that if this committee is discharged, two-thirds of the membership of this House would vote this resolution out? Of course they will not. Then what do you get and what do you accomplish by discharging the committee?

I submit the fourth proposition. If you should discharge the committee and get by the House to-day with the required two-thirds majority, does anybody believe that two-

thirds of the Senate of the United States would now vote this proposition out? Then what can be accomplished except divide the people when they need to forget their differences and pull together for their common salvation?

Mr. SABATH. Will the gentleman yield?

Mr. SUMNERS of Texas. I do not. I have only a few minutes. I am just putting some propositions on the barrel head.

The fifth proposition is that if the committee were discharged and a two-thirds majority of the House and the Senate voted in favor of the resolution, which everybody knows is now impossible, and it was resubmitted, has anybody got little enough sense—and I say this with all respect—to believe that three-fourths of the States are ready to ratify this amendment to the Constitution? I am addressing myself to the practical common sense of Members regardless of their attitude toward the eighteenth amendment. You know you can not get anywhere with the proposed amendment now. Then why bring it in here now when we do not know whether with the greatest unity of purpose and of people we will be equal to the task which is right on us? Regardless of what you may think or hope may occur in the future you know that three-fourths of the States are not yet ready to reverse themselves with regard to the eighteenth amendment. Nothing can be done about this matter now. Then why bring it in here to disrupt the unity and divert the interest with which the country is going about trying to save itself? I can not see the common sense of it. We are all in the same boat. These problems of hunger, unemployment, and of economic danger are problems for everybody.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Speaker, I yield myself the remaining two minutes.

Wets and dries, we are exactly in the situation of a lot of people out in a boat far from the shore, who do not even know where the shore is, but they know it is going to take all the pulling that every man can do who can handle an oar to have a chance to get to shore. Now, would a people with ordinary sense thus situated turn aside from an opportunity to save themselves and engage in a fight out there in the middle of the stream about something they knew they could not settle then? Should the House do that sort of thing now?

A majority of the Committee on the Judiciary did not think so. [Applause.] A majority of the Committee on the Judiciary believes that the great big job which now challenges the genius and effort of the American people is to save, if they can, the economic structure and political structure of this great Nation. It is no time to pull off a big fight on this prohibition question, especially when everybody knows nothing can be done about it now. [Applause.]

I make the appeal to wet and dry; let us not turn aside from the challenge of the hour and divide our people. [Applause.]

[Here the gavel fell.]

Mr. LINTHICUM. Mr. Speaker, I yield half a minute to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Speaker, under our form of government the last word and the absolute control of governmental policy rests with the people of the United States. [Applause.] The people of the United States have a right to know how their Representatives stand on this important issue by a direct vote on the question. [Applause.] The people will then have the opportunity to so cast their votes as to carry out their views on prohibition, an opportunity heretofore denied them by their own Representatives. If it was proper for Congress to submit prohibition to the States before it was known what national prohibition meant, certainly it is proper to do so now, after 12 years of experience and with full knowledge of its failure.

The record of prohibition has been before the committee and 145 Members of this House, representing 43,000,000 people, ask that this question be submitted to the people for an expression of their sovereign will. [Applause.]

[Here the gavel fell.]

Mr. LINTHICUM. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. Beck]. [Applause.]

Mr. BECK. Mr. Speaker, the question to be discussed is a very simple one. It does not involve the merits or demerits of the eighteenth amendment, but only the right of the American people, if they so desire, to determine their own destinies.

Those who oppose such resubmission must do so on the theory that this provision of the Constitution is a finality for all time. Those who favor such resubmission believe that the American people have an inviolable and ever-continuing right to determine from generation to generation the nature of their Government and the character of their laws. If they have not such right, then democracy is a fraud and a delusion.

It is strange, indeed, that prohibitionists should now claim infallibility for the eighteenth amendment, for clearly they did not regard the Constitution as unchangeable when they added the eighteenth amendment and thus destroyed that basic principle of the Constitution—local self-government. If their inconsistency in this respect proves nothing, yet I can invoke the elementary principles of our Government and the noblest of American traditions to prove that the American people have regarded as the fundamental verity of liberty the right to change their form of government, as and when they desire to do so. In the Declaration of Independence, Jefferson forever established this as a self-evident truth.

How, then, can it be contended that the American people have not the right to determine whether any part of their Constitution, and especially any amendment, should be either repealed or modified? To assert otherwise is to challenge democracy itself. It makes the final passage of Lincoln's Gettysburg address a rhapsody of words, for if the American people can not undo a clearly demonstrated folly and regain a previously reserved right, then truly government "for the people, by the people, and of the people" has perished from the United States.

To give the people of the United States such an opportunity of self-expression, my associates and I, of both parties, are submitting a substitute for the eighteenth amendment, which while giving to every State the right to determine how it will regulate or prohibit the traffic in beverage liquors exclusively within its own borders, yet secures for the dry States not only their reserved rights but the added power of the Federal Government to protect them in the full enforcement of their prohibitory laws. In other words, we restore home rule to the several States, and no student of American history can question that the men who framed the Constitution would never have adopted it if they had not been satisfied that the right of local self-government would, at all times, be preserved.

There are especial reasons why the eighteenth amendment should be resubmitted. It was well said on high authority that it was an "experiment." An experiment must stand or fall on the arduous test of experience.

The eighteenth amendment has been given over 12 years' trial. Millions have been spent in its attempted enforcement, and, what is more deplorable, over 500,000 American citizens have been either indicted or convicted of violation of this law. Yet to-day the law is less enforced than it was at the beginning. No such general revolt against the enforcement of a law has ever been known in our history, and in itself proves the existence of a very substantial sentiment that the eighteenth amendment should be repealed.

The amendment was proposed to the people in a time of great hysteria, by a few hundred Senators and Representatives who had not been elected for such a purpose, and it was ratified by a few thousand State legislators who, likewise, had not been elected with any such mandate.

Apart from this fact, no law which interferes with individual liberty can ever be enforced, unless sustained by a greatly preponderating public sentiment. The old Jewish Talmud was philosophically correct when it said that custom rises above law. The same truth was voiced by the greatest

political philosopher of antiquity, Aristotle, when he said that laws and even constitutions could never be enforced if contrary to the ethos, meaning the spirit or genius of a people. The history of sumptuary laws in all ages prove this fact.

There is a final reason for such resubmission at this time. Prohibition is not the only issue before the American people. We are living in very trying times and have many difficult problems. The question is not a partisan issue, and if resubmitted to the people, it will go far to clear the decks for other important public policies.

The failure to resubmit will intensify the revolt against the law and the ill feeling which now exists between different classes of people. Until thus resubmitted the question becomes an irrepressible one, like the old question of slavery. It will mean continued chaos in our national councils.

Submit the amendment and let the people decide. [Applause.]

[Here the gavel fell.]

The SPEAKER. The question is, Shall the Committee on the Judiciary be discharged from further consideration of the joint resolution, H. J. 208?

Mr. LINTHICUM. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 187, nays 227, not voting 18, as follows:

[Roll No. 29]

YEAS—187

Aldrich	Crosser	Hull, William E.	Polk
Amble	Crump	Igoe	Prall
Andresen	Cullen	Jacobsen	Pratt, Ruth
Andrew, Mass.	Curry	James	Rainey
Andrews, N. Y.	Darrow	Johnson, S. Dak.	Ransley
Arentz	Delaney	Johnson, Wash.	Reilly
Arnold	De Priest	Kading	Rogers, Mass.
Auf der Heide	DeRouen	Kahn	Rudd
Bacharach	Dickstein	Karch	Sabath
Bachmann	Dieterich	Kelly, Ill.	Schafer
Bacon	Douglas, Ariz.	Kennedy	Schneider
Baldrige	Douglass, Mass.	Kleberg	Schuetz
Barbour	Doutrich	Kniffin	Seger
Beam	Drewry	Knutson	Shannon
Beck	Dyer	LaGuardia	Sirovich
Black	Eaton, N. J.	Lamneck	Smith, Va.
Bloom	Englebright	Lea	Smith, W. Va.
Boehne	Erk	Leibach	Somers, N. Y.
Bohn	Estep	Lewis	Spence
Bolleau	Evans, Mont.	Lichtenwalner	Stafford
Boland	Fernandez	Lindsay	Stewart
Bolton	Fiesinger	Linthicum	Stokes
Boylan	Fish	Loneragan	Sullivan, N. Y.
Britten	Fitzpatrick	McCormack	Sullivan, Pa.
Brumm	Foss	McDuffie	Sutphin
Brunner	Freeman	McLeod	Sweeney
Buchanan	Gambrill	McMillan	Tierney
Buckbee	Gavagan	Maas	Tilson
Burdick	Gifford	Major	Tinkham
Campbell, Pa.	Golder	Maloney	Treadway
Carley	Goss	Mansfield	Turpin
Carter, Calif.	Granata	Martin, Mass.	Underwood
Carter, Wyo.	Granfield	Martin, Oreg.	Vestal
Cavichia	Griffin	Mead	Watson
Celler	Griswold	Millard	Weich, Calif.
Chavez	Hadley	Montague	West
Chindblom	Hancock, N. Y.	Montet	White
Clague	Hancock, N. C.	Niedringhaus	Whitley
Clancy	Harlan	Norton, N. J.	Wigglesworth
Cochran, Mo.	Hart	O'Connor	Williams, Mo.
Cole, Md.	Hartley	Oliver, N. Y.	Withrow
Condon	Hess	Palmisano	Wolcott
Connery	Hollister	Peavey	Wolfenden
Connolly	Holmes	Perkins	Wolverton
Cooke	Hooper	Person	Wood, Ind.
Corning	Horr	Pettengill	Woodruff
Coyle	Hull, Morton D.	Pittenger	

NAYS—227

Abernethy	Briggs	Christopherson	Culkin
Adkins	Browning	Clark, N. C.	Dallinger
Allen	Bulwinkle	Clarke, N. Y.	Davenport
Allgood	Burch	Cochran, Pa.	Davis
Almon	Burtness	Cole, Iowa	Dickinson
Ayres	Busby	Collins	Dies
Bankhead	Butler	Colton	Disney
Barton	Byrns	Cooper, Ohio	Dominick
Beedy	Cable	Cooper, Tenn.	Doughton
Beers	Campbell, Iowa	Cox	Dowell
Bland	Canfield	Crall	Doxey
Blanton	Cannon	Crisp	Driver
Bowman	Cartwright	Cross	Eaton, Colo.
Brand, Ga.	Chipfield	Crowe	Eslick
Brand, Ohio	Christgau	Crowther	Evans, Calif.

Finley	Jeffers	Milligan	Sinclair
Fishburne	Jenkins	Mobley	Smith, Idaho
Flannagan	Johnson, Ill.	Moore, Ky.	Snell
Frear	Johnson, Mo.	Moore, Ohio	Snow
Free	Johnson, Okla.	Morehead	Sparks
French	Johnson, Tex.	Mouser	Stalker
Fulbright	Jones	Murphy	Steagall
Fuller	Keller	Nelson, Me.	Stevenson
Fulmer	Kelly, Pa.	Nelson, Mo.	Strong, Kans.
Garber	Kemp	Nelson, Wis.	Strong, Pa.
Garrett	Kendall	Nolan	Summers, Wash.
Gasque	Kerr	Norton, Nebr.	Summers, Tex.
Gibson	Kinzer	Oliver, Ala.	Swank
Gilchrist	Kopp	Overton	Swanson
Gillen	Kurtz	Owen	Swick
Glover	Kvale	Parker, Ga.	Swing
Goldsbrough	Ketcham	Parker, N. Y.	Taber
Goodwin	Lambertson	Parks	Tarver
Green	Lanham	Parsons	Taylor, Colo.
Greenwood	Lankford, Ga.	Partridge	Taylor, Tenn.
Guyer	Lankford, Va.	Patman	Temple
Haines	Larrabee	Patterson	Thatcher
Hall, Ill.	Leavitt	Pou	Thomason
Hall, Miss.	Loofbrow	Furnell	Thurston
Hall, N. Dak.	Lovette	Ragon	Timberlake
Hardy	Lozier	Ramseyer	Underhill
Hare	Luce	Ramspeck	Vinson, Ga.
Hastings	Ludlow	Rankin	Warren
Haugen	McClintic, Okla.	Rayburn	Wason
Hawley	McClintock, Ohio	Reed, N. Y.	Weaver
Hill, Ala.	McFadden	Rich	Weeks
Hill, Wash.	McGugin	Robinson	Whittington
Hoch	McKeown	Romjue	Williams, Tex.
Hogg, Ind.	McLaughlin	Sanders, N. Y.	Williamson
Hogg, W. Va.	McReynolds	Sanders, Tex.	Wilson
Holaday	McSwain	Sandlin	Wingo
Hope	Magrady	Selberling	Woodrum
Hopkins	Manlove	Selvig	Wright
Hornor	Mapes	Shallenberger	Wyant
Houston, Del.	Michener	Shott	Yates
Howard	Miller	Shreve	Yon
Huddleston	Mitchell	Simmons	

NOT VOTING—18

Carden	Drane	May	Vinson, Ky.
Cary	Gilbert	Pratt, Harcourt	J. Welsh, Pa.
Chapman	Gregory	Reid, Ill.	Wood, Ga.
Chase	Lambeth	Rogers, N. H.	
Collier	Larsen	Tucker	

So the motion to discharge the committee was rejected.
The Clerk announced the following pairs:

Mr. Rogers with Mr. Reid of Illinois.
Mr. Larsen with Mr. Chase.
Mr. May with Mr. Pratt.

Mr. BANKHEAD. Mr. Speaker, pending the casting up of the vote I would like to make the announcement for the following Representatives from Kentucky, who have requested me to announce that they are unavoidably absent, and if present they would have voted against the resolution:

MESSRS. VINSON, CARDEN, CARY, GREGORY, and CHAPMAN.

Mr. BRAND of Georgia. Mr. Speaker, my colleague the gentleman from Georgia [Mr. Wood] is absent on account of illness in his family in the State of Georgia. He authorized me to say that if he were present he would vote against the motion.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry. Is it proper for gentlemen to announce the fact that certain Members are absent and how they would vote at this time? Should not that be done after the vote has been announced?

The SPEAKER. It may be done at any propitious time; and while the Chair was waiting for the vote to be counted, the Chair thought it well to use the time by having such statements made.

Mr. RAINEY. Mr. Speaker, I have been requested to announce that the following Members are unavoidably absent on important business, and if present would vote "no":

MESSRS. LAMBETH, WOOD of Georgia, GILBERT, VINSON of Kentucky, CARDEN, CARY, CHAPMAN, GREGORY, COLLIER, DRANE, and REID of Illinois.

Mr. KELLY of Pennsylvania. Mr. Speaker, I have been requested by my colleague the gentleman from Pennsylvania [Mr. Chase] to announce that he is unavoidably detained, and if present would have voted "no" on the motion to discharge the Judiciary Committee.

The result of the vote was announced as above recorded.

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to address the House for three minutes in order that I may present a statement written by my colleague, Hon. HARRY ST. GEORGE TUCKER, whose illness detains him from the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MONTAGUE. Mr. Speaker, my colleague [Mr. TUCKER], who is necessarily absent by reason of illness, has handed me, through his secretary, the following statement and has asked me to read it to his colleagues of the House. The statement is as follows:

When this joint resolution was brought before the Committee on the Judiciary for consideration the first motion made was one which I made providing for an amendment to the same in the following words and figures, to wit:

Page 2, line 20, after the word "therein," add the words "Provided further, That no sale of intoxicating liquor shall be authorized by the Congress or any State to be consumed on the premises where sold."

This amendment was generally discussed by nearly all the members of the committee and was finally adopted by the committee by a vote of 11 to 5. This amendment, as is seen, eliminates the possibility of the barroom being adopted in any part of the United States should the States be given the power to control the subject, as provided by the Beck-Linthicum resolution. My feeling against the reappearance of the barroom was so strong that I felt myself unable to vote for the original proposition without the limitation of this amendment; and as the resolution has been brought to the House, under the ruling of the Speaker not in its amended form but in its original form, it has been my intention when the matter was before the House, and I being present, to make this same motion in the House which I made in committee for the incorporation of the amendment to the resolution. I am unfortunately prevented by sickness from appearing on the floor of the House, and, therefore, I can only hope that some other Member holding my view may offer the amendment, because I think it would add great strength to the resolution. Should that amendment be offered and passed by the House, if I were present, I would certainly vote for its passage, as amended.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman from Texas if he will give the membership of the House an opportunity to vote, either way, on the salary provision which has been stricken from the bill; in other words, whether or not we will have that proposition before us as a separate matter when the report is brought in?

Mr. BUCHANAN. Mr. Speaker, of course, I can not speak for the Members of the House or the members of the conference, but we will bring our report back, and I understand it is then in the hands of the House to vote on any amendment it pleases.

Mr. LA GUARDIA. Exactly; in other words, we will not be placed in the position where we will have to vote the entire conference report up or down, but may have a separate vote on the amendment.

Mr. BUCHANAN. I may state to the gentleman that so far as I am concerned I have no desire in the world to prevent a vote on the filling-of-vacancies proposition.

Mr. SABATH. Mr. Speaker, reserving the right to object, the House, some weeks ago, authorized an appropriation of \$1,000,000 for the Century of Progress to be held in Chicago. I understand that in the Senate an amendment has been adopted to the agricultural bill embodying this appropriation. May I ask the gentleman, in view of the fact that the House has gone on record in the matter, whether it is contemplated on the part of the conferees to agree to the Senate amendment?

Mr. BUCHANAN. I do not know. I can not commit the House conferees to agree now to any Senate amendment. That is a matter of conference and it is not proper for us to commit ourselves.

Mr. SABATH. But a vote has already taken place in favor of the appropriation in the House?

Mr. BUCHANAN. The House conferees are servants of the House and it is the duty of the conferees to carry out the will of the House.

Mr. SABATH. I am satisfied with that statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BUCHANAN, SANDLIN, and SIMMONS.

THE GOVERNMENT EMPLOYEE AND RELIEF DRIVES

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Federal employees in connection with the unemployed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, many Members have in the past and are now advocating a reduction in the salaries of Government employees. Several bills providing for general reductions have been introduced. One even affecting the salary of the charwomen.

I have taken the position that any act of the Congress toward reduction in salaries will immediately result in private corporations doing likewise, holding they are justified in taking the action because the Congress has set the example.

While overproduction has played a leading part in the present depression, economists proclaim underconsumption is a more material factor than overproduction. It is true that there has been some reduction in the cost of living, but who can deny the assertion that this is only temporary. How can the farmer live on what he is now receiving for his products? If to restore the price level to the farmer we must pay him an increase for his wheat, corn, hogs, cattle, vegetables, and so forth, will it not result in an increase in price to the consumer?

You passed the Glass-Steagall bill. If that operates as you intended it should operate, there will be an increase in the cost of living. You now propose a manufacturer's sales tax. What does that mean?

It means, if it becomes a law, some \$600,000,000 in revenue will all come out of the pockets of the consumer. This can not be denied. No manufacturer will absorb the sales tax; he will pass it along. Not only are you going to try to put an additional burden on him in the form of a sales tax, but you are increasing his income tax.

It seems evident to me that unless you lower the standard of living you must retain the wage level of Government employees, at least 80 per cent of whom are not overpaid. The average salary of the Government employee is around \$120 a month, or, to be exact, \$1,441 a year.

Mr. Speaker, I heard it stated on several occasions the Government employees were not participating as they should in cooperating with the local authorities in relief work. I knew any such statement was false, but I passed it along to the employees in St. Louis and suggested that they pool their contributions to the "crisis relief fund" which was launched two or three weeks ago. This, I think, was the fifth drive we have had in St. Louis in the past year. The money goes to help those in distress. The result should forever silence those who have stated the Federal employees do not participate in these drives.

Twenty-eight thousand six hundred and fifty-eight dollars and twenty-seven cents contributed by the Government employees in St. Louis to the fifth and possibly the smallest drive of the last year. They contributed to all worthy activities. The record for the "crisis drive" follows:

Federal Business Association of St. Louis report of Federal employees' contribution to unemployment relief March 8, 1932

Department and local agency:		Crisis fund
Agriculture—		
Meat and field inspection.....		\$257.40
Meat inspection laboratory.....		45.00
United States game warden.....		13.50
United States Food and Drug Inspection station.....		195.00
Market news.....		6.00
Federal grain supervision.....		96.00
United States entomological laboratory.....		\$24.00
Weather Bureau.....		109.00
Seed loan office.....		796.17
Commerce—		
Bureau Foreign and Domestic Commerce.....		103.00
Lighthouse Service.....		111.00
Steamboat Inspection Service.....		59.70

Department and local agency—Continued.

Labor—		Crisis fund
Immigration Service.....		\$78.00
Bureau of Naturalization.....		81.50
Employment Service.....		47.40
Post Office—		
Postal employees.....		18,424.95
Post-office inspector's office.....		99.00
Treasury—		
Collector of customs employees.....		279.00
Custodian force.....		365.40
United States appraiser's employees.....		150.72
Collector internal revenue employees.....		710.10
Internal revenue agent's employees.....		1,253.10
Special intelligence unit.....		54.00
United States narcotic agents.....		24.00
Secret Service division.....		24.10
National-bank examiner's office force.....		44.00
Marine hospital employees.....		315.00
War—Mississippi—Warrior Service employees.....		500.40
Army Post, Jefferson Barracks.....		261.66
Upper Mississippi Valley divisional engineer employees.....		117.00
District engineer's office.....		56.00
Finance office.....		118.08
Quartermaster's office.....		215.75
St. Louis medical depot.....		25.00
Army recruiting station.....		1.00
Justice—Bureau of Investigation.....		127.50
United States district attorney's office.....		227.46
United States marshal's office.....		72.30
Clerk, United States court of appeals office.....		80.40
Clerk, United States district court office.....		121.98
United States district judge's office.....		165.88
United States commissioner.....		21.00
Prohibition enforcement office.....		153.30
Probation officer.....		13.02
Civil Service Commission, ninth district office.....		102.00
Interstate Commerce Commission, Bureau of Accounts.....		285.00
Locomotive inspection.....		30.00
Bureau of valuation office.....		136.80
Veterans' Administration—Regional manager's office.....		1,100.00
Veterans' hospital.....		660.20
Congressmen.....		300.00

28,658.27

Respectfully,

E. R. SMITH,
President Federal Business Association.

The Government employees are not only doing their duty in this way, but, like others, they are caring for their relatives who have lost their positions and have no income.

Do not disturb them, because if you do they will be unable to meet the demands that now confront them.

EXTENSION OF REMARKS

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the motion to discharge the Judiciary Committee, just voted upon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BACHMANN. I object.

THE ECONOMY COMMITTEE

Mr. POU. Mr. Speaker, I call up House Resolution 169. The Clerk read as follows:

House Resolution 169

Resolved, That the Economy Committee appointed pursuant to House Resolution No. 151, Seventy-second Congress, is hereby authorized to report to the House at any time during the present session of Congress, by bill or otherwise, its recommendations upon any matters covered by such resolution; and any bills so reported shall be placed upon the calendar and have a privileged status.

Mr. POU. Mr. Speaker, I would like to ask the gentleman from Michigan if he desires any time?

Mr. MICHENER. We had no information that this rule was to be called up to-day. I conferred with the floor leader, the gentleman from Illinois [Mr. RAINEY], before entering the Hall, and was advised that the next matter to be taken up would be the tax bill. The gentleman from North Carolina has called up this resolution. It is a matter of vast importance. I have only one call for time, but I ask that the usual 30 minutes be granted, in order that we may find out something about it.

Mr. POU. I will yield 30 minutes to the gentleman from Michigan to yield as he sees fit.

Mr. Speaker, this special rule accomplishes three things. It extends the life of the so-called Economy Committee during the present session of Congress. It authorizes the Economy Committee to report bills to the House, and, third, it makes these bills privileged.

In view of the action taken by the House when the Economy Committee was created, it was not supposed—at least, I did not suppose—that there would be any considerable opposition to the adoption of this rule. It lays the basis for action by the Economy Committee. It clears the deck, so to speak, for action by the Economy Committee preparatory to the passage of one of the most onerous tax bills Congress has ever been called upon to enact into law. It seems to me that no argument should be necessary to support such a resolution. It enables the Economy Committee to bring before the House in a concrete form the result of its deliberations. As I have no request for time, and as I do not care to submit further observations, I reserve the balance of my time.

Mr. TILSON. Will the gentleman yield?

Mr. POU. I will.

Mr. TILSON. Is not the real purpose of the resolution to postpone any action by this committee until after the summer recess of Congress?

Mr. POU. Exactly the opposite is the purpose of the resolution. The purpose of the resolution is to enable the Economy Committee to get quicker action and bring the result of its deliberations before the House.

Mr. TILSON. The original resolution required the committee to report by the 15th of April, and this extends the time.

Mr. POU. It extends the time from April 15 until the end of the present session of Congress.

Mr. TILSON. And then if they brought in a report and bill at the end of the session there would be no opportunity for action until after the recess of Congress.

Mr. COX. Will the gentleman yield?

Mr. POU. Yes.

Mr. COX. The original resolution required the committee to report by piecemeal. They would report by bill on a particular subject, and this is to expedite the consideration of such matters as the committee may investigate. In other words, it saves a restudy of the same question by some standing committee of the House.

Mr. POU. The gentleman is undoubtedly correct in his construction of the resolution.

Mr. KVALE. Will the gentleman yield?

Mr. POU. I yield.

Mr. KVALE. The fact that the bills have a privileged status does not deprive the House from adequate notice and warning when the bills are to be taken up.

Mr. POU. No; they will be in the same condition as if they had been reported by a committee, except these bills will have a privileged status.

Mr. SNELL. It makes them privileged, and a report by a committee is not always privileged.

Mr. POU. It makes the bills reported by the Economy Committee privileged, whatever that may mean under the general rules of the House.

Mr. SNELL. But a regular standing committee's report is not always privileged.

Mr. POU. Some of them are and some are not.

Mr. SNELL. I would like to ask the gentleman another question. What you are trying to do under the present rule is what you started to do under the first rule but which was withdrawn and another substituted?

You are taking all the power from the Committee on Expenditures in the Executive Departments and transferring it to this special committee. That is exactly what I told the gentleman he ought to do originally, but he did not dare do it because his own committee would not stand for it. Is not that true?

Mr. POU. I do not think so. I could not agree to that statement. It may be the gentleman's construction, but it

is not in accord with my recollection of what took place at all, but whatever the resolution does it speaks for itself. It does those three things. It gives the House an opportunity to vote on any bill that may be reported by the Economy Committee. It does not take away the powers of the Committee on Expenditures in the Executive Departments, except that any bill reported by the Economy Committee may to that extent invade the powers of some other committee.

Mr. SNELL. Is it not a fact that it takes practically all the powers away from the Expenditures Committee?

Mr. POU. I do not think so.

Mr. BANKHEAD. If the gentleman will permit, if the gentleman from New York [Mr. SNELL] will get a copy of the rules and see the powers and jurisdiction conferred upon the Expenditures Committee, he will see that there are several other matters of legislation vested in that committee aside from the question of recommendation on the Government departments.

Mr. SNELL. The gentleman from New York knows very well that this practically deprives the Committee on Expenditures in the Executive Departments of every particle of work in this session, and the gentleman from Alabama knows that, too. That is the purpose of the rule.

Mr. POU. Mr. Speaker, I reserve the remainder of my time.

Mr. MICHENER. Mr. Speaker, a few days ago we had before us a rule providing for the creation of a so-called Economy Committee. I pointed out at that time it was utterly impossible to accomplish anything under the terms of that resolution. I told the House that it was a mere gesture. I said, If you want economy for economy's sake, that is one thing; but if you want economy for publicity's sake, this is another thing. The talking point in favor of that committee at that time was that a limitation could be placed upon the activities of the committee within which time the committee was to report something definite. Every man who knew anything about the workings of the House at that time knew that it would be a physical impossibility for that committee to do what it was constituted to do. Now the gentleman comes in with this rule to-day for what purpose? As the gentleman from North Carolina [Mr. POU] says, first, to extend the limit of time within which that committee may act, not to a definite time other than through the term of the session.

In other words, if we adjourn in June, they can report up to the last day that we adjourn, and if we adjourn next November, they can report up to the last day when the House adjourns next November. So far as taking the jurisdiction away from the Committee on Expenditures in the Executive Departments is concerned, I agree in the main with my friend from New York [Mr. SNELL]. However, he is not technically exactly right. We have an appropriations committee and two or three other committees which are authorized under the general rules of the House to do the very thing which this committee is set up to do. We are not taking away from those committees any jurisdiction, technically speaking, but we are setting up a committee, a super-committee, with like and extended jurisdiction. This committee is a supercommittee in that its bills are privileged. What does "privileged" mean? It does not simply mean that it reports a bill and that the bill goes on the calendar; but when a bill is privileged, it has a right over all other bills in this House which are not privileged, and the Speaker of the House must, under the rules of the House, recognize for consideration of that particular bill. The only discretion lodged in the Speaker under the rules of the House is to treat privileged bills as a class. You are setting up a committee and extending its jurisdiction and making it possible for that committee to bring in legislation any day, which goes on the calendar, which is privileged, and, forsooth, which might be called up for consideration of the House just exactly as this privileged resolution is called up, without knowledge on the part of any Member of the House, of not even the majority floor leader, that it is coming up. When I entered the Chamber to-day with the majority floor

leader, I asked him what would be up to-day, what we might expect, and he told me there would be nothing but the tax bill. Then, in the confusion here, when the House is all upside down, a matter of this kind is brought before the House. The members of the Committee on Appropriations, vitally affected, are not here. The members of the Committee on Expenditures in the Executive Departments, vitally affected, are not here. They know nothing about it. The minority members of the Committee on Rules had no knowledge that the gentleman was bringing this very important matter up for consideration.

Mr. POU. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. In a minute. So far as we are concerned on this side of the aisle, we have not opposed any economy measures. We did not oppose this Economy Committee. We voted for it. We supported it; and we pointed out to you that you could not accomplish anything—

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. COX. The gentleman's objection to the first resolution was that it set up a committee without power to do anything. This resolution proposes to give that committee the power which the original resolution did not give.

Mr. MICHENER. Yes.

Mr. COX. Now, the gentleman objects to this resolution because it does the very thing which he contended the original resolution failed to do. It vests a power in the committee to make report to this House in such form as would make possible the consideration of such matters dealt with by that committee at this session, which is the only promise that we have of any economy legislation that has come before us.

Mr. MICHENER. As a matter of fact, I am finding more fault with the procedure, because the gentleman, who is a member of the Committee on Rules, well knows that the gentleman from Tennessee [Mr. BYRNS] introduced the original resolution which was to all intents and purposes this resolution.

Because of the objection of the Expenditures Committee, and because of the objection of other committees in the House that this was robbing those committees of jurisdiction, was throwing a monkey wrench, so to speak, into the things which they were doing, in an effort to bring about this thing, it was made impossible for you to bring in a rule of this kind and pass it. Now, it is brought in under these circumstances.

Mr. POU. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. POU. I want to remind my friend the gentleman from Michigan that when the request for this legislation was made the statement was made that the request came as the unanimous request from the Economy Committee.

Mr. MICHENER. Yes. This is a unanimous request from this committee which has been functioning for some time and which, if I am correctly informed, has gotten nowhere. They could not possibly do anything. The job is too big. We all know it. Everybody has been trying to consolidate for years. Then the country is told, "We have set up a great Democratic Economy Committee. By April 15 it will do something." That goes out in big headlines all over the country, and to-day that same majority party comes here and says by the very terms of this resolution, "You are absolutely right," and the Speaker of the House knows and smiles his approbation. That is the strategy of the situation. Oh, there is a vast difference between political strategy, between publicity, and consolidating the departments. You have a committee, a splendid committee, made up of Democrats and Republicans, working at this matter. They have been working at it for weeks, and now there is set up what is called a Democratic Economy Committee.

It functions for a while and then the gentleman comes in and says, "We were wrong when we set it up. We can not do what we thought we could. We have now found it out. We now ask you to let us do what you wanted to do some time back."

Mr. SCHAFER. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. SCHAFER. I happen to be a member of the Committee on Expenditures in the Executive Departments. This Economy Committee was set up because politicians, for political effect and not for economy, could not stampede and blackjack that standing committee of the House. The Committee on Expenditures unanimously requested the Rules Committee to amend the rules applicable to the Committee on Expenditures in Executive Departments, to give the committee a little appropriation so that we could do effective work, and to give us the right to subpoena witnesses and compel testimony. Up to this very moment those so-called economy experts on the Democratic side have not given the committee that authority.

Mr. MICHENER. Now, I do not want to get into that. Let us not be partisan.

Mr. SCHAFER. Well, it is partisan, unfortunately. If the gentleman had served on the Committee on Expenditures in the Executive Departments as I have, the gentleman would see that it is partisan. Now, those who were trying to force the Committee on Expenditures to favorably report a bill to consolidate the Army and Navy are the very ones who are running away from it to-day.

Mr. MICHENER. I do not yield further.

Mr. COX. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Georgia.

Mr. COX. Pertinent to the gentleman's complaint against the manner in which this resolution is called up, I would like to say to the gentleman that I had no advantage over him, because I did not expect it to come up this morning.

Mr. MICHENER. That is a good illustration. The gentleman is one of the leading, and one of the most sound-thinking members on the Committee on Rules; a man who generally thinks right. The gentleman joins with me and says this thing has been sprung upon us without knowing anything about it. I had no knowledge of it. The Democratic floor leader said he had no knowledge of it. Who, in the name of Heaven, is running this House if it is not the Democratic organization?

Mr. COX. Will the gentleman yield further?

Mr. MICHENER. I yield.

Mr. COX. When the gentleman's committee reported this resolution, did the gentleman not reasonably anticipate that the resolution would be called up at some time?

Mr. MICHENER. Oh, yes. But I do not want to take any more time along that line.

Mr. COX. What better position would the gentleman be in if the calling up of this resolution had been after some formal notice to him?

Mr. MICHENER. The gentleman on this side only wants that which is always understood, that there is an understanding between the chairman of the Rules Committee and the ranking Member on this side, so that no rule will be called up until we have sufficient notice that it is to be called up, in order that we may at least be prepared to say something about the matter.

Mr. KVALE. Will the gentleman yield right there?

Mr. MICHENER. I yield.

Mr. KVALE. The gentleman voiced my own fear and the reason for my earlier inquiry. Does not the same observation which the gentleman has just made with reference to this resolution apply to any bills that may have a privileged status under its terms and might be brought up in the future without notice?

Mr. MICHENER. Absolutely. If this matter passes the House it will confer upon this so-called Economy Committee the power to do just what has been done to-day, as is suggested by the gentleman from Minnesota [Mr. KVALE]. At any time the Speaker sees fit to call up a bill he may notify some Member on the floor that he will recognize him for the consideration of that bill, and we come here with important legislation, extremely important to the entire Nation, and what do we hear? Some man on the majority side rises and says, "I call up this legislation," and it can be put

through under the whip and under the lash, without any consideration whatever by the Members of the House, who have no knowledge that it was coming up and who are not here and can not be expected to know, and who are thereby deprived of their right to vote on important matters.

Mr. KVALE. May I interrupt again?

Mr. MICHENER. Certainly.

Mr. KVALE. Does the gentleman think it would satisfy his side of the House if, following the word "calendar," there be inserted "after five legislative days"? In the absence of that amendment, I would personally be satisfied with the assurance of the Speaker that he would not recognize anybody for that purpose until a certain and adequate time had elapsed.

Mr. MICHENER. I suggest that the gentleman take that up with his leader on that side.

Mr. KVALE. The gentleman is not referring to my leader. I have high regard for him, but I am responsible for my own statement.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. MICHENER. I yield for a question.

Mr. DOUGLAS of Arizona. If what the gentleman has said were true with respect to the inability of the committee to accomplish anything under the original resolution—and I do not concede that to be true—but if it were true, then the argument the gentleman is making now is in opposition to even permitting it to accomplish anything.

Mr. MICHENER. The gentleman who has just spoken is a member of the Economy Committee and he knows they have not accomplished anything, at least they have not reported anything. The time is coming when they must report, and I, for one, believe they should report something by April 15. If they have something under their bonnets that is right, let them bring it in by April 15, and then will be the time to pass upon their work and determine whether the time in which they can operate should be extended. If the committee does a good job and makes a report about something then, it will be time enough to determine whether the committee should have more time in which to operate. But, as I have said, I, for one, believe this Economy Committee should make a report to the House by April 15. I do not think this committee should be allowed to proceed under the language of the present resolution and then bring in some legislation which will be privileged, have it passed and put on the doorstep of the Senate, and say the House did something.

Mr. DOUGLAS of Arizona. Then what the gentleman is saying is that we can not do anything and we will not let you do anything.

Mr. MICHENER. No; not at all. Mr. Speaker, I reserve the balance of my time.

Mr. POUL. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker and gentlemen, I do not think there need be any confusion about the real issues in this controversy that have been so vehemently raised by the gentleman from Michigan. The gentleman asserts he did not oppose the original resolution setting up this Economy Committee, but unless my recollection is very gravely in error the gentleman opposed that resolution with about the same degree of vigor with which he is now opposing this resolution. I think the Record will disclose that fact, although he now asserts that his side of the House did not oppose the setting up of this committee and giving it the powers then conferred.

What will this proposition do, gentlemen? The gentleman from Michigan says, in effect, that he discounts the sincerity of those who are proposing this so-called Economy Committee. He says it is a mere political gesture and that nothing substantial can be effectuated by the proceedings of this committee along proper lines. Well, the gentleman is entitled to his conclusions about that, but I want to assert that is not in the minds of the Democratic members of the Rules Committee nor in the minds of those on the Appropriations Committee. It is not in the mind of the ranking minority member of that committee, the distinguished

gentleman from Indiana [Mr. Wood], nor is it in the mind of the Democratic chairman of the Committee on Expenditures, nor in the mind of the ranking Republican member of that committee.

They are not looking at this thing as a mere gesture, I will say to my friend from Michigan, because it was represented to the Rules Committee that not only the four Democrats upon this economy committee but also the three Republican members on this economy committee favored the bestowal of this additional power upon that committee.

Now, gentlemen, let us look at this thing from a practical legislative standpoint. I confess it may have been a parliamentary error in the first instance to have set up this committee and not have given it the power to make recommendations directly to the House of Representatives for action. I think it was a mistake, and upon reflection the gentlemen composing the membership of this committee, as well as the members of the Rules Committee, and others who have been consulted, have reached the conclusion that if the functioning of this committee is to have any practical legislative result at this session of Congress it will be necessary to clothe that committee with legislative authority to bring directly to the House of Representatives for its consideration such conclusions as that committee may reach after its deliberations upon these questions and after hearing the evidence which may be submitted to that committee.

Gentlemen, I have taken occasion heretofore to assert during this session of the Congress that back home—and when I say back home I mean in every section of this country—big business and little business and the oppressed taxpayers of this country—and I am not saying this in any partisan sense because it cuts across the sections of every portion of our country—are looking for a reduction in governmental expenses. I have heretofore said that if there is any one paramount thought in the minds of the American people to-day it is for the Congress, for the legislatures, for the county boards, and for the boards of aldermen all over this country to reduce the expenses of government all along the line. [Applause.]

Proper conclusions on such reductions is what this committee is seeking to find and to accomplish. It is not a party question. There is no partisanship in the payment of taxes. Those burdens fall alike upon the members of all political parties, although I am to see my party take the lead in this program of economy.

The only way by which this House—and I am speaking of its membership collectively—can hope to accomplish any practical or beneficial results from the deliberations of this committee is for it to bring in some concrete resolution or recommendation for the consideration of the House.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. OLIVER of Alabama. I will say to the gentleman from Alabama that I do not think there is a member of the Appropriations Committee who does not feel that this is a field in which the Economy Committee can render helpful service if the pending rule is passed.

Mr. BANKHEAD. I am glad to have that assurance from my able colleague from Alabama.

Now, the gentleman in his speech against the original resolution and in his speech now says nothing practical can be accomplished because despite any effort this special committee may make to bring about a real reduction in governmental expenses the legislation accomplishing that purpose will only be laid on the doorstep of the Senate at this session.

Well, I want to assert to the Members of the House of Representatives that our responsibility ends here upon this floor as far as legislation is concerned, and if we expect to accomplish any real economy in the administration of our governmental affairs by consolidations and cutting out various duplications and all that sort of thing, we have got to make a start somewhere with it.

After hearings are had by this committee and just as soon as they can reach just and proper conclusions with reference to proposed consolidations and economies, I have suffi-

cient confidence in them and in their good faith and in their real determination to make an effort to be of service to the taxpayers of this country that I believe they will bring in, not wholesale legislation, necessarily, not legislation that will remedy this whole situation that we are seeking to remedy, but that they will go just as far as they can and with as much dispatch as they can use toward giving this House an opportunity to accomplish some real legislation for economy in our governmental affairs, and, therefore, the Committee on Rules asks this House by this resolution to confer this legislative authority upon this select committee so that they may do the things we had in mind for them to do when we established the committee and gave it this power. [Applause.]

Mr. MICHENER. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGuardia. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Record by quoting extracts from annual reports of bureaus and departments.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LaGuardia. Mr. Speaker, my objection is not partisan. There is not any partisanship in me; perhaps it would be better if there were some. My objection to this mode of legislation is fundamental.

Years ago the Rules Committee would have brought in any sort of a resolution to carry out its purpose. For the last 10 years the tendency has been to limit the powers of the Rules Committee and, only recently, we liberalized the rules so as to prevent any of the standing committees from thwarting the will of the House, and we had an illustration only a few hours ago, where the new rule was invoked and the House gave expression to its will.

If there are any economies to be exercised under existing law, the great Committee on Appropriations, consisting of 35 members, has the privilege of bringing in the recommendations, and the House will decide. If there are any economies to be exercised which require legislation, we have standing committees with jurisdiction on every possible measure that could be brought into the House.

So we are destroying all that we have done in the liberalization of the rules, all that we have obtained in limiting the powers of the Rules Committee by this loose system of circumventing the will of the House by the creation of these so-called select committees or special committees. What superknowledge, what superability have the members of the special committee, of which there are seven, over the 35 members of the Appropriations Committee, or the membership of any standing committees?

Oh, I say, gentlemen, there are two purposes in mind. One is, under the guise of economy, to destroy certain bureaus of the Government that are rendering useful service, much to the objection of certain privileged interests that resent any governmental regulation or supervision; and another is to attempt to destroy the standard of wages and to bring down the American standard of living thereby.

Why, the distinguished gentleman from Arizona, who made the inspirational speech on this subject, had so emasculated the appropriations for the Bureau of Mines—and I referred to it after the magnificent speech made by the gentleman from Arizona for economy—that the purpose of the Bureau of Mines was being destroyed, and then the gentleman from Nevada [Mr. Arentz] again referred to it, and the gentleman from Arizona, big and fair as he always is, wrote a letter to the Senate calling back every amendment that he put on with respect to the Bureau of Mines.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. LaGuardia. Certainly.

Mr. DOUGLAS of Arizona. That is a misstatement of the case. There was one item which was cut; as a matter of fact, there were two items that were cut too much. I did not, by inference or otherwise, state that all the amend-

ments could not be supported. There were two that were slightly too excessive in amount.

Mr. LaGuardia. I accept the gentleman's correction, and I will let the gentleman's letter speak for itself, and with his kind permission I shall insert it at this point in the Record. There can not be anything fairer than that.

I will take this opportunity to state briefly the purpose and scope of the Bureau of Mines. Inasmuch as the gentleman from Arizona [Mr. Douglas] figures so prominently in this drive for economy and inasmuch as in his anxiety for economy he offered certain amendments on the floor of the House, which afterwards he was compelled to withdraw, it seems to me that it offers a typical example of how perhaps unintentionally and subconsciously economies are always directed against the particular activity of government which may step on one's toes.

The Bureau of Mines is a long way from Broadway, but it is very near the State of Arizona. Perhaps from the distance we get a better perspective of it than the gentleman from Arizona. Perhaps we are better able to judge its value to the public and the excellent public service it has rendered than anyone who may be closely related to or connected with mines.

I do not in any way desire to criticize the gentleman from Arizona, for whom I have the highest regard and whose abilities are recognized as second to none in this House, but I am going to fight and resist all attempts to hinder and hamper and impair the various bureaus and departments of the Government which have been established in the public interest for the protection of the public and its necessary supervisory and regulatory agencies of the Government.

The letter to which I refer reads as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 26, 1932.

Hon. WESLEY L. JONES,

Chairman Committee on Appropriations.

MY DEAR SENATOR: On Monday last there were several amendments offered by me and accepted by the House to the Bureau of Mines item in the appropriation bill for the Department of Commerce. The amounts of reductions carried in some of the amendments were hastily arrived at and without adequate supporting evidence.

As a result of subsequent investigation, it is my opinion that some of the reductions were too drastic. It is, however, my belief that substantial reductions can be made below the Budget estimate.

I am calling this to your attention so that you may before your committee, in the event you see fit to do so, hear the proper officials of the Bureau of Mines in order that there may be repaired any substantial impairment of necessary and requisite functions of the bureau affected by the amendments.

Very sincerely yours,

L. W. DOUGLAS.

I believe this letter bears me out and that I did not misstate the facts as suggested by my colleague, the gentleman from Arizona.

Fortunately in this instance the excessive reduction was discovered in time. It is to be hoped the Senate will undo the damage.

This is what some of the proposed cuts in the Department of Interior bill will do to the Bureau of Mines unless the House amendments are eliminated in the Senate:

MINERAL-MINING INVESTIGATIONS

The proposed cut of \$40,460 in mineral-mining appropriation below the amount appropriated for 1932 will make it necessary to drop 11 full-time people and about 100 part-time people, mostly engineers, physical chemists, and research men. This will seriously cut down a valuable organization, and reduce by at least one-third the output of one of the most helpful activities offered mining men.

It will cut by at least one-third the research work in metallurgy conducted under this appropriation.

It will cut by one-third the assistance given by mining division to the industry in reducing costs to meet low-metal prices.

Testing fuel: A reduction of \$44,610 below 1932 appropriations for testing fuel would drop 19 men, from laborers to engineers and scientists.

Stop service of analyzing fuels bought by States of New York, New Jersey, Maryland, and cities in Pennsylvania, Delaware, and Maine.

Slow up payment on coal bought on Government contracts. Reduce by 60 per cent new analyses of coals.

Reduce by one-third work on fuel-economy work in District of Columbia.

Reduce by one-third output of fuel investigation at Pittsburgh.

Stop work on synthetic fuels.

Oil and gas: A cut of \$86,645 in oil and gas appropriation below this year's allotments will close the stations at Boulder, Colo.; Laramie, Wyo.; Dallas, Tex.; and reduce the San Francisco station one-half.

It will reduce the service now given the petroleum industry one-half.

It will drop 30 people.

Economics of mineral industries: The appropriation of \$225,000 carried in the amended bill is a reduction of \$62,820 below allotments for the current fiscal year. A reduction of this amount would necessitate:

First. Elimination of statistical offices at Denver, Colo.; Salt Lake City, Utah; San Francisco, Calif.; and Joplin, Mo.; and the discharge of the 14 employees constituting the staffs of those offices.

Second. Discharge of five employees of the Washington office engaged in the conduct of annual canvasses of minerals in the United States and compilation of mineral statistics.

Third. The Mineral Statistics Division would be unable to compile the regular annual canvass of minerals of the United States, thus breaking a continuous record extending over a half a century.

Each year for over 50 years separate reports have been issued covering the production, value, and various features of processing and marketing of individual minerals. These data provide essentially the only information available regarding current economic status of mineral industries.

It has been suggested that in so far as the American Bureau of Mineral Statistics compiles figures, the activity of the mineral-statistics division of the Bureau of Mines might well be dropped. However, it should be noted that the American Bureau of Metal Statistics compiles reports on only four minerals, namely, copper, lead, zinc, and tin, while the Bureau of Mines compiles statistics and issues reports on over 60 mineral commodities. Furthermore, figures of the American Bureau of Metal Statistics indicate only smelter production and do not represent the output of the mines, whereas the Bureau of Mines shows in great detail all of the figures regarding output of domestic minerals. The American Bureau of Metal Statistics no longer furnishes copper figures.

Fourth. Discontinuance by the coal division of (a) current surveys of coal stocks, (b) monthly report on the Northwest dock trade, (c) all studies of consumption and distribution of coal shipments and all analyses of marketing problems. All of these reports contain important market information of particular value to the coal industry in its present depressed condition. The discharge of four employees would be necessary.

Fifth. Discharge of two employees of the rare-metals and nonmetals division and curtailment of the economic reports on the rare metals.

Of the 25 employees who would be discharged, many are valuable, trained employees, who have been in the service for 20 years or more. The present average age of the staff of the mineral statistics division is 50.02 years. The discharge of such personnel is serious not only from the personal viewpoint of the employees so discharged but from the viewpoint of the Government which will lose the services of individuals having years of experience in the specialized work in which they are engaged. Such experience and training can not be purchased in the open market. On the other hand, it does not represent a marketable asset from the viewpoint of the discharged employee.

PROBABLE EFFECT OF CURTAILMENT OF ACTIVITIES OF THE SAFETY DIVISION

One of the activities of the safety division of the United States Bureau of Mines is the training of employees of the mining and allied industries in methods of giving first aid to the injured; this training not only is of utility in the saving of pain and misery as well as lives—and it is estimated that at least 200 lives are saved annually as a result of this type of Bureau of Mines work—but also the training has the very good effect of making those who receive it "safety conscious," with the result that they take measures toward avoidance of accidents; and actual records by mining companies show that the first-aid trained employee is but one-half to as low as one-eighth as likely to get injured as is the untrained man.

During the past five years the Bureau of Mines field safety forces, comprised of about 60 instructors, have given a full course of this type of safety training to over 400,000 persons engaged in work in the mining and allied industries, and since 1910 over 600,000 have been trained.

Due to numerous extra precautions taken in coal mining by those engaged in it and partly as a result of the above work as well as due in some part to other safety activities of the Bureau of Mines, the number of persons killed in 1931 in the coal mines of the United States was but about 1,430, which is 554 fewer than in any other year in the present century and is 970 fewer than the average annual number of fatalities for the past 25 years. The coal-mining fatal-accident rate in 1931 was by all odds the lowest for any year in the history of coal mining in the United States.

The safety forces of the United States Bureau of Mines have been but little increased during the past 8 or 10 years, but the amount of work done has been increased several fold, as may be indicated by the fact that while over 110,000 persons were given the full course of training in first aid both in 1930 and in 1931, the total for 1923 was but 14,941, and for 1924 but 17,767.

If the services of safety division were curtailed, for instance as if three of the mine rescue cars and personnel should be dispensed with, there would undoubtedly be a material decrease in the number of men trained not only in first aid but in other forms of safety—and in first-aid training this decrease would probably amount to at least 15,000 full courses—and the Bureau of Mines would be in a most embarrassing position if a disaster should occur in the regions deprived of these cars as we would unquestionably be blamed severely if there should be any suspicion even that lives were lost through failure of the Federal Government to give its accustomed prompt aid at time of mine disaster. Of even more seriousness is the fact that the excellent coal-mine safety record of 1931, with its 1,430 killed as against an annual average of 2,409 for the past 25 years, would be very likely soon to revert to the high figures of the past because there is absolutely no question that the forces of the safety division of the United States Bureau of Mines through the numerous safety approaches have been the "spark plug" which has kept much of the safety work in mining especially to the front during the past few years.

The Bureau of Mines' new accident-prevention course in bituminous-coal mining for mine officials was launched during the year, and between 1,000 and 2,000 mine officials took the full course, which requires several weeks for a presentation. There were circulated approximately 400,000 copies of the 100 or more different safety publications issued during the year and in most instances these publications were sent direct to those likely to read and use them; considerable numbers of chapters of the Holmes Safety Association were organized and kept in working order during the year, and in connection with them the mimeographed Holmes Notes giving about 20 pages of safety data were issued monthly; in addition the bureau's safety personnel cooperated in many ways with numerous organizations such as the National Safety Council, National Coal Association, Lake Superior section of the National Safety Council, Coal Mining Institute of America, Mine Inspectors Institute, and dozens of other organizations.

The Bureau of Mines is also performing a number of excellent services to the mining industry in activities on accident statistics. Nation-wide accident data are assembled and published on fatal and nonfatal accidents and on mine disasters, and the results, as given to the public, are correlated, with the ironing out of most of the kinks due to local differences in the methods of keeping of records.

During the period between January 28, 1931, and November 3, 1931, or more than nine months, there was not a major disaster—one with five or more fatalities—in any bituminous or lignitic mine in the United States. This surpasses any other period of immunity from major disasters in the history of bituminous coal mining for the past 30 or more years. That this is no mere matter of luck is susceptible of very definite proof, and one of the agencies which has aided materially in bringing about this very fine record is rock dusting, the explosion-prevention method long advocated by the United States Bureau of Mines and now being adopted by many progressive coal-mining companies.

There is no question that had it not been for effective rock dusting there would have been at least three major disasters in bituminous mines during the nine months of immunity from them. In one case a trolley-locomotive trip of loaded coal cars wrecked in a mine in which over 75 men were at work, and while the electric arc from the short-circuited wrecked trolley wires ignited the dust cloud with resultant death of the motorman and his helper, the explosion, which had a good start, died as it encountered rock-dusted surfaces in going away from the wrecked trip. There is the best of reason for the belief that if this mine had not been rock dusted the death list would have been in the dozens, possibly in the scores.

In another case, also involving a trolley-locomotive trip wreck, in which a ventilation door was left open and explosive gas accumulated, the gas was ignited by an arc due to operation of the trolley locomotive while trying to rerail the cars, and the resultant explosion killed one of those working on the trip and the second man was recovered alive, though he had been very close to death. There was considerable violence locally, but rock dust stopped the explosion before it got a really good start, which was decidedly fortunate, as there were 150 men in the mine, which is decidedly gassy; hence there is good reason to believe that many, if not most, of the 149 men who came out alive owe their lives to the free use of rock dust.

In another case 235 men were working in a decidedly gassy and dusty mine when an explosion of gas by ignition from an electric arc killed 2 electric mining-machine workers and blew out numerous wooden ventilation stoppings, but the explosion failed to penetrate to the other parts of the mine—where 233 others were employed—chiefly because the effectiveness of the rock dusting prevented the coal dust from feeding the flame from the gas explosion.

In these three occurrences the rock dust "fad" more than paid for all of the rock dusting which has been done in the United States during the past year, and if the probable damage to the mines were included, the savings made by rock dusting in these three cases would almost if not entirely cover the expense of all of the rock dusting done to date in the coal mines of the United States. At any rate it is reasonable to believe that if it had not been for rock dusting the death list from these three explosions would have been well over 100 and might have been over 400, and the excellent record of the nine months from January 28, 1931, to November 3, 1931, would not have been made.

HEALTH DIVISION

The health division deals with the conditions that affect the health of the workers in the mineral industries. Its studies and reports cover a wide range of subjects, from diseases due to poor sanitation, as hookworm and typhoid, to those resulting from other environmental surroundings, as silicosis from exposure to dust.

The value of the studies is indicated by the number of investigations made in cooperation with the industry, as hydrogen-sulphide poisoning in cooperation with the Amer-

ican Petroleum Institute, silicosis with the Tri-State Zinc & Lead Ore Producers Association, and carbon-monoxide poisoning with the New York and New Jersey Bridge and Tunnel Commissions. New York City is much interested in all the diseases associated with mining, due to the great amount of tunnel operations. The ventilation of the New York vehicular tunnel was based upon the studies referred to above. The prevention of silicosis, which occurs among miners exposed to siliceous-rock dust, and which has been found among many of the drill operators and other workers in tunnel construction, has been studied by this division for a number of years and the best means for its mitigation determined. In one district this study has already resulted in a definite decrease in compensable diseases and accidents, with considerable saving to both employees and employers.

Many of the employees of the health division are paid from moneys allotted by the cooperators; only a limited number of persons, who guide and supervise the studies, are paid from the funds of the Federal Government. The results of these studies, however, are available to the entire country. Any curtailment in the present appropriations and allotments to this division will mean the dismissal not only of personnel paid by the United States Government but also those paid by the cooperating companies, as the cooperative studies would necessarily have to be suspended with the dismissal of the supervisory and administrative personnel.

DEMOGRAPHIC DIVISION—ACCIDENT STATISTICS

The Bureau of Mines collects statistics of accidents as a basis for the conduct of investigations of means whereby accidents in mines may be prevented and as a means whereby progress in accident prevention may be measured. The statistics are used by mining companies, State mine inspectors, insurance companies, the United States Bureau of Mines, and others concerned with safety in mining.

These statistics focus attention on the causes of accidents, the places where the accidents occur, and the relative seriousness of mining hazards of different types. They show that preventable accidents are costing the mining industry approximately \$11,000,000 annually in compensation for injuries, exclusive of wage and other indirect losses, and that accidents have been reduced within the past 10 years more than 30 per cent in iron mining, 26 per cent in lead and zinc mining, 30 per cent in copper mining, and so forth, depending on the degree to which safety measures have been applied.

These statistics provide the only information available for learning the relative hazards of different types of mines or of mines in different States, and they afford the only comparable basis for measuring the success attending efforts to prevent accidents.

Without such statistics, accident-prevention work would necessarily be conducted in a haphazard manner, for it is only with a knowledge of why and where accidents occur that efforts can be coordinated and safety measures applied with economy and efficiency.

Fortunately in this instance the damage was discovered, I hope in time. As we go along under this mania, this insane mania of economy, Congress may be driven and forced from the outside by selfish people who have personal interests to service, and it is quite possible that many useful and efficient bureaus and departments of the Government may be impaired if not entirely destroyed.

I will check these various departments up from time to time, but to-day, as I have stated, I want to say a few words about the Bureau of Mines—one of the targets in this economy drive.

Gentlemen, I have made a survey of the very bureaus that are the target of this so-called economy committee. If this piece of paper instead of being a resolution were a can of baked beans, you would be indicted under the pure food and drugs act for misbranding. [Laughter and applause.]

[Here the gavel fell.]

Mr. POUL. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. Wood].

Mr. WOOD of Indiana. Mr. Speaker and Members of the House, the so-called Economy Committee, appointed by the Speaker of the House, has been at work every day since appointed. I do not think the gentleman from Michigan meant what he said, when he declared that up to to-day the committee had done nothing. He is misinformed; we have been doing much. We have ascertained that in order to accomplish what Congress desires we should accomplish, it is going to require some matters of legislation.

There are two ways whereby the committee can function and give the relief that Congress sought in our appointment: Reduce appropriations, and we do not need any authority from this body upon that proposition; but if we are to do away with any of the bureaus and commissions, if we are to consolidate some, in order to do away with a great deal of waste motion, and waste money, we will require legislation.

Suppose we should ascertain, or come to the conclusion that a given bureau should be abolished, and, not being permitted to report a bill, we recommend to the House that it be referred to the proper legislative committee, what would happen? That committee, earnestly trying to accomplish its purpose in ascertaining the facts, would commence just where we began, and in the end it would be confusion worse confounded.

Now, if we are in earnest and honest in the declaration that we want to do away with the useless Government bureaus, if we are honest in saying to the country that we want to accomplish economy in various governmental affairs, if this committee is worthy of trust in the first place, why should it not be given the power when they come to the conclusion that a bureau should be abolished, that certain legislation should be reported directly by it to carry out the purpose that Congress had in mind when the committee was appointed. I say not to do that thing is to say that we did not mean what we said we did when the committee was appointed.

I take it that every Member of the House is earnest and honest in his or her attempt to reduce public expenditures. The country press, the metropolitan press all over the country is full of articles saying that this bureau and that bureau is useless and demanding their discontinuance.

There is no politics in this matter. The people are not divided politically when it comes to saving money to the Treasury. [Applause.]

I want to say to you that there is a better chance to-day, under the existing conditions, under the depression, that has called to the attention of every voter of the country the necessity of economy in Government expenditures—I say we are in a better situation to-day than we have ever been in before to accomplish the things that have been talked about for years. [Applause.]

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. OLIVER of Alabama. Take, for example, the recommendation that the gentleman said the committee might want to make in reference to the elimination of bureaus. That might involve two or more committees. If so, you might have to refer that legislation to two or more committees.

Mr. MICHENER. That could not be, because the jurisdiction of the committee is to take care of that very thing.

Mr. MICHENER. Mr. Speaker, this resolution has provoked considerable discussion. Personally I want to be thoroughly understood as not being opposed to anything that will bring about economy, if we pursue a course that is intended by those who know the procedure of the House to get that result. I think that is all there is to this. So far as the privileged status is concerned, it does give this committee exceptional authority; it permits it to bring in bills just as this resolution was brought in to-day. Let us hope that in the future a thing like this will not happen, and that we will not bring up a bill of such vast importance, reflecting as it does to such an extent on at least two of our great committees of the House, and practically without notice.

We believe in charity. We all appreciate that this Expenditures Committee is a great committee, set up for specific work, and now to come in and treat it in this way seems hardly fair. Let us give more consideration to real results, to what is going to happen, and what should happen, and less to publicity.

Mr. McDUFFIE. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Yes.

Mr. McDUFFIE. Is the gentleman opposed to this resolution?

Mr. MICHENER. I answer that by saying that I am going to support the resolution, because I do not want to be placed in the light of standing in the way of anything that might result in economy. This resolution to-day is a vindication of the stand that I took, and I ask the gentleman to read my remarks, when the original resolution creating this committee was before the House.

Mr. McDUFFIE. I am delighted to know the gentleman is not opposing the present resolution.

Mr. COLTON. Will the gentleman yield?

Mr. MICHENER. Yes; I yield.

Mr. COLTON. It is a fact that the Committee on Expenditures is studying largely the same question that this Economy Committee is studying. Does the gentleman believe it is necessary, pending the report of this Economy Committee, for the Expenditures Committee to go over the same ground?

Mr. MICHENER. Oh, that is the ridiculousness of the whole thing. We have a standing committee which is going through all this work. They have held hearings for days and days. They are working on the thing, and then the gentleman comes along and creates a supercommittee to work along the same line.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. POUL. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it is indeed gratifying to hear that the gentleman from Michigan [Mr. MICHENER], after having violently attacked this resolution a few moments ago, with due and careful consideration, has finally agreed to support it.

Mr. Speaker, the gentleman from Wisconsin [Mr. SCHAFER], as well as the gentleman from Michigan [Mr. MICHENER], is trying to imply that there is politics behind this movement to bring about real and honest economy. I say to the gentleman, and to every Member of this House, that it is the honest aim of the Democratic majority to bring about economy, not empty and bombastic statements of economy which the Republican administration has given to the country for the last decade, but real economy. For 10 years we have been promised economy; yet, notwithstanding that fact, the appropriations and expenditures have continued from year to year and millions upon millions of dollars have been squandered while the Republican Party was in full control of this House as well as the Senate, and while the Republican Presidents were deriving much acclaim for their supposed virtues of economy.

Mr. SCHAFER. Will the gentleman yield?

Mr. SABATH. No; I do not have time to yield now.

I said that the Republican administration has been making the Nation believe that it, like some of the spokesmen here to-day, believed in economy. If an examination were made of the expenditures, the country would find that hundreds of millions of dollars have been wasted, being expended not only on large numbers of useless officials and commissions, but on imprudent contracts granted by the Republican administration to a favored few.

The people of this Nation demand and insist upon real economy. They can not stand the great burdens. They look to the Democratic Party in this House to bring about the elimination of those criminal and wasteful expenditures which ran unchecked during the last 10 years under the Republican administration.

No. There is no politics behind this move. There is honest effort on the part of the Democratic Party to relieve the

people of the unnecessary burdens that the Republican Party has placed upon the backs of the American taxpayers.

Mr. Speaker, ladies, and gentlemen, I feel that the vast majority of the bureaucratic bureaus and commissions which have been established and which cost the Government millions of dollars annually should be eliminated. Experience has shown me that very little beneficial legislation was ever enacted upon the recommendation of the established commissions. Therefore, I am in favor of this resolution because it gives this economy committee the power to prepare and report bills and to give them preferential status so that there will be no delay in securing consideration and action. I assure you, and this is no idle gesture, these bureaus and commissions, this waste, red tape, and overlapping authority must go. To make that possible this resolution must pass.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. POUL. Mr. Speaker, I yield two minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, there is but one thing involved in the consideration of this resolution. It puts it up to the House to say whether or not you want to put the Economy Committee in a position by which it can accomplish what you expect it to accomplish in the way of reducing expenses.

The committee has been conducting hearings ever since its organization. It is now getting to the point where very shortly it will come to the problem of preparing possibly some legislation and also some recommendations with reference to appropriations.

The gentleman from Wisconsin had a great deal to say about one bill. I want to say to the gentleman and to the Members of this House that the Economy Committee has not discussed any particular bill up to this time. Its entire time has been taken up in conducting hearings. I do not know what the Economy Committee will recommend, but I do say that when the Economy Committee recommends a bill seeking to cut down expenditures, it ought to have the privilege of presenting it to the House; the bill ought to have a privileged status, so that the House may take action upon it.

That is all this means. It does not mean anything else. If, as the gentleman from Michigan says, he really wants economy—and I do not contradict him—if you want really to do business and cut expenditures, then, in my judgment, there can not be any question but what this resolution should be adopted.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. POUL. Mr. Speaker, I yield two minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, the gentleman from Wisconsin seems to be very much exercised over this resolution. He has no reason to be alarmed. The gentleman seems to feel that it will interfere with the jurisdiction of the Committee on Expenditures. I can tell the gentleman from Wisconsin, just as the gentleman from Tennessee has said, there has been absolutely no discussion in the Economy Committee as to any consolidation. That committee is expecting the Committee on Expenditures to proceed as it has been proceeding, and has urged me to expedite consideration of bills before our committee.

We are to meet to-morrow; and if the members of the committee will be present then, they will have an opportunity to consider two bills upon which hearings have been conducted. We will commence hearings on a third bill on Thursday, the bill to consolidate civilian activities.

Mr. SCHAFFER. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. SCHAFFER. The proponents of the resolution indicated that the Economy Committee would report a bill dealing with consolidations.

Mr. COCHRAN of Missouri. Is there anything in the resolution which says it will report consolidations? I fail to find it.

Mr. SCHAFFER. The proponents of the resolution so stated.

Mr. COCHRAN of Missouri. Will the gentleman please read the resolution? See for himself.

Mr. SCHAFFER. Yes. It can cover consolidations, expansions, and everything under the sun, but it means nothing.

Mr. COCHRAN of Missouri. Did the selection of the Mapes committee insult the Committee on the District of Columbia?

Mr. SCHAFFER. That was a different proposition.

Mr. COCHRAN of Missouri. Mr. WILLIAMSON, the ranking member of the Expenditures Committee, sat in the room and is a member of the Economy Committee. He approved of this resolution, the same as I did. I do not feel the Economy Committee is going to do anything whatsoever that the House and country will not approve.

Why, Mr. Speaker, the House expects something from the Economy Committee. Are we to sit every day, for months, and in the end simply advise the House we recommend certain reductions? Give the committee the power and you will get the opportunity to reduce Government expenditures. It will not be fair to the Economy Committee to deprive it of this right. It probably will bring in legislation that in the regular course should come from legislative committees. If a complaint is justified, and I do not feel it is, other committees of the House should complain, rather than the Expenditures Committee.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. POUL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. KVALE. Mr. Speaker, I demand a division.

Mr. POUL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 258, nays 116, not voting 58, as follows:

[Roll No. 30]

YEAS—258

Abernethy	Cochran, Mo.	Goldsborough	Lambertson
Aldrich	Cochran, Pa.	Goodwin	Lamneck
Allgood	Cole, Iowa	Granfield	Lanham
Almon	Cole, Md.	Green	Lankford, Ga.
Andresen	Collins	Greenwood	Larrabee
Andrew, Mass.	Condon	Griswold	Lea
Andrews, N. Y.	Connery	Guyer	Lichtenwalner
Arnold	Cooper, Tenn.	Haines	Lindsay
Auf der Heide	Corning	Hall, Ill.	Linthicum
Ayres	Cox	Hall, Miss.	Lonergan
Bachmann	Crall	Hall, N. Dak.	Ludlow
Baldridge	Crisp	Hancock, N. C.	McClintick, Okla.
Bankhead	Cross	Hare	McCormack
Barbour	Crosser	Harlan	McDuffie
Barton	Crowe	Hart	McGugin
Beam	Crump	Hastings	McKeown
Beedy	Cullen	Haugen	McMillan
Bland	Davis	Hawley	McReynolds
Bianton	Delaney	Hill, Ala.	McSwain
Bloom	DeRouen	Hill, Wash.	Major
Boehne	Dickinson	Hoch	Maloney
Bowman	Dickstein	Hogg, W. Va.	Manlove
Boylan	Dies	Holaday	Mansfield
Brand, Ga.	Dieterich	Hope	Michener
Brand, Ohio	Disney	Hornor	Miller
Briggs	Dominick	Houston, Del.	Milligan
Browning	Doughton	Huddleston	Mitchell
Brumm	Douglas, Ariz.	Igoe	Mobley
Brunner	Doxey	Jacobsen	Montague
Buchanan	Drewry	James	Moore, Ky.
Buckbee	Driver	Jeffers	Morehead
Bulwinkle	Eslick	Johnson, Mo.	Mouser
Burdick	Fernandez	Johnson, Okla.	Nelson, Me.
Burtress	Fiesinger	Johnson, Tex.	Nelson, Mo.
Busby	Fish	Johnson, Wash.	Nelson, Wis.
Butler	Fishburne	Jones	Niedringhaus
Byrns	Fitzpatrick	Karch	Norton, Nebr.
Canfield	Flannagan	Kelly, Ill.	Norton, N. J.
Carley	Fulbright	Kemp	Oliver, Ala.
Celler	Fuller	Kendall	Oliver, N. Y.
Chase	Gambrill	Kennedy	Overton
Chavez	Garber	Kerr	Owen
Chindblom	Garrett	Kinzer	Palmisano
Christopherson	Gasque	Kleberg	Parker, Ga.
Clague	Gavagan	Kniffin	Parks
Clark, N. C.	Gibson	Knutson	Parsons
Clarke, N. Y.	Glover	Kopp	Patman

Patterson	Sanders, Tex.	Strong, Kans.	Warren
Pettengill	Sandlin	Sullivan, N. Y.	Wason
Pittenger	Schuetz	Summers, Wash.	Weaver
Polk	Selvig	Summers, Tex.	Weeks
Pou	Shallenberger	Sutphin	West
Prali	Shannon	Swank	Whittington
Purnell	Shott	Swanson	Williams, Mo.
Ragon	Shreve	Sweeney	Williams, Tex.
Rainey	Sirovich	Swing	Williamson
Ramseyer	Smith, Idaho	Tarver	Wilson
Ramspeck	Smith, Va.	Thatcher	Wingo
Rankin	Smith, W. Va.	Thomason	Wolverton
Rayburn	Somers, N. Y.	Tierney	Wood, Ind.
Reilly	Sparks	Tilson	Woodrum
Robinson	Spence	Timberlake	Wright
Rogers, Mass.	Stafford	Tinkham	Yon
Rudd	Stevenson	Thomson	
Sabath	Stewart	Vinson, Ga.	

NAYS—116

Adkins	De Priest	Johnson, S. Dak.	Reed, N. Y.
Allen	Doutrich	Kading	Rich
Amle	Dyer	Kahn	Sanders, N. Y.
Arentz	Eaton, Colo.	Kelly, Pa.	Schafer
Bacharach	Eaton, N. J.	Ketcham	Schneider
Bacon	Englebright	Kurtz	Seger
Beers	Erk	Kvale	Seiberling
Black	Evans, Calif.	LaGuardia	Simmons
Bohn	Finley	Leavitt	Sinclair
Boileau	Foss	Lovette	Snell
Bolton	Free	Luce	Snow
Cable	Gifford	McClintock, Ohio	Stalker
Campbell, Iowa	Gilchrist	McLaughlin	Swick
Campbell, Pa.	Goss	McLeod	Taber
Carter, Wyo.	Granata	Maas	Taylor, Tenn.
Cavichia	Hadley	Magrady	Temple
Chipperfield	Hancock, N. Y.	Mapes	Treadway
Christgau	Hardy	Martin, Mass.	Turpin
Clancy	Hartley	Millard	Underhill
Colton	Hess	Moore, Ohio	Vestal
Connolly	Hogg, Ind.	Murphy	Welch, Calif.
Cooke	Hollister	Nolan	White
Cooper, Ohio	Holmes	Parker, N. Y.	Whitley
Coyle	Hooper	Partridge	Wigglesworth
Crowther	Hopkins	Peavey	Withrow
Culkin	Howard	Perkins	Wolcott
Dallinger	Hull, William E.	Person	Wolfenden
Darrow	Jenkins	Pratt, Ruth	Woodruff
Davenport	Johnson, Ill.	Ransley	Wyant

NOT VOTING—58

Beck	Estep	Lankford, Va.	Romjue
Boland	Evans, Mont.	Larsen	Steagall
Britten	Frear	Lehlbach	Stokes
Burch	Freeman	Lewis	Strong, Pa.
Cannon	French	Loofbourow	Sullivan, Pa.
Carden	Fulmer	Lozier	Taylor, Colo.
Carter, Calif.	Gilbert	McFadden	Thurston
Cartwright	Gillen	Martin, Oreg.	Tucker
Cary	Golder	May	Vinson, Ky.
Chapman	Gregory	Mead	Watson
Collier	Griffin	Montet	Welsh, Pa.
Curry	Horr	O'Connor	Wood, Ga.
Douglass, Mass.	Hull, Morton D.	Pratt, Harcourt J. Yates	
Dowell	Keller	Reid, Ill.	
Drane	Lambeth	Rogers, N. H.	

So the resolution was agreed to.

The Clerk announced the following additional pairs:
Until further notice:

Mr. Rogers with Mr. Reid of Illinois.
Mr. Larsen with Mr. Dowell.
Mr. May with Mr. Pratt.
Mr. Tucker with Mr. Lehlbach.
Mr. Steagall with Mr. Golder.
Mr. Collier with Mr. Horr.
Mr. Drane with Mr. Frear.
Mr. O'Connor with Mr. Britten.
Mr. Taylor of Colorado with Mr. Stokes.
Mr. Cartwright with Mr. Beck.
Mr. Vinson of Kentucky with Mr. French.
Mr. Cannon with Mr. Watson.
Mr. Gilbert with Mr. Yates.
Mr. Lambeth with Mr. Welsh of Pennsylvania.
Mr. Wood of Georgia with Mr. Morton D. Hull.
Mr. Romjue with Mr. Carter of California.
Mr. Gillen with Mr. McFadden.
Mr. Cary with Mr. Thurston.
Mr. Montet with Mr. Strong of Pennsylvania.
Mr. Lozier with Mr. Curry.
Mr. Evans of Montana with Mr. Estep.
Mr. Carden with Mr. Sullivan of Pennsylvania.
Mr. Gregory with Mr. Freeman.
Mr. Douglass of Massachusetts with Mr. Lankford of Virginia.
Mr. Chapman with Mr. Loofbourow.
Mr. Martin of Oregon with Mr. Mead.
Mr. Keller with Mr. Boland.
Mr. Fulmer with Mr. Griffin.
Mr. Burch with Mr. Lewis.

Mr. O'CONNOR. Mr. Speaker, I can not qualify, but if I could I would vote "yea."

Mr. EVANS of Montana. Mr. Speaker, I was not in the Chamber when the roll was called.

The SPEAKER. The gentleman does not qualify.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the resolution was passed was laid on the table.

PROHIBITION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I have asked for this time to comply with a promise I made to a prominent citizen and friend of mine from Nashville, Tenn. This morning I filed with the Clerk a petition from Nashville on which it was stated there were 11,000 names favoring the Linthicum-Beck resolution. I promised to call it to the attention of the House. I made every effort to do so before the vote was taken, but was unable to secure recognition, the Speaker stating he would recognize no one for that purpose. This petition was presented to me about an hour and a half or two hours before the resolution was taken up and after I had already announced my position in the matter.

[Here the gavel fell.]

LIMITATION OF INJUNCTIONS

Mr. SUMNERS of Texas. Mr. Speaker, I present a conference report on the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, for printing under the rule.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That no court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in a strict conformity with the provisions of this act; nor shall any such restraining order or temporary or permanent injunction be issued contrary to the public policy declared in this act.

"Sec. 2. In the interpretation of this act and in determining the jurisdiction and authority of the courts of the United States, as such jurisdiction and authority are herein defined and limited, the public policy of the United States is hereby declared as follows:

"Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore, though he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; therefore, the following definitions of, and limitations upon, the jurisdiction and authority of the courts of the United States are hereby enacted.

"Sec. 3. Any undertaking or promise, such as is described in this section, or any other undertaking or promise in conflict with the public policy declared in section 2 of this act, is hereby declared to be contrary to the public policy of the United States, shall not be enforceable in any court of the

United States and shall not afford any basis for the granting of legal or equitable relief by any such court, including specifically the following:

"Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement of hiring or employment between any individual, firm, company, association, or corporation, and any employee or prospective employee of the same, whereby

"(a) Either party to such contract or agreement undertakes or promises not to join, become, or remain a member of any labor organization or of any employer organization; or

"(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization.

"Sec. 4. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

"(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

"(b) Becoming or remaining a member of any labor organization or of any employer organization, regardless of any such undertaking or promise as is described in section 3 of this act;

"(c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute, any strike or unemployment benefits or insurance, or other moneys or things of value;

"(d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the United States or of any State;

"(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;

"(f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;

"(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

"(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

"(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this act.

"Sec. 5. No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this act.

"Sec. 6. No court of the United States shall have jurisdiction upon the hearing of an application for temporary restraining order or for an interlocutory injunction to grant a mandatory injunction, compelling the performance of an act in any case involving or growing out of any labor dispute as herein defined.

"Sec. 7. No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the United States for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

"Sec. 8. No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any

case involving or growing out of a labor dispute, as herein defined, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—

"(a) That unlawful acts have been threatened and will be committed unless restrained or have been committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons, association or organization making the threat or committing the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof;

"(b) That substantial and irreparable injury to complainant's property will follow;

"(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

"(d) That complainant has no adequate remedy at law; and

"(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

"Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all known persons against whom relief is sought, and also to the chief of those public officials of the county and city within which the unlawful acts have been threatened or committed charged with the duty to protect complainant's property: *Provided, however,* That if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient if sustained, to justify the court in issuing a temporary injunction upon a hearing after notice. Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security in an amount to be fixed by the court sufficient to recompense those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee) and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the court.

"The undertaking herein mentioned shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety, upon a hearing to assess damages of which hearing complainant and surety shall have reasonable notice, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

"Sec. 9. No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

"Sec. 10. No restraining order or temporary or permanent injunction shall be granted in a case involving or growing out of a labor dispute, except on the basis of findings of fact made and filed by the court in the record of the case prior to the issuance of such restraining order or injunction; and every restraining order or injunction granted

in a case involving or growing out of a labor dispute shall include only a prohibition of such specific act or acts as may be expressly complained of in the bill of complaint or petition filed in such case and as shall be expressly included in said findings of fact made and filed by the court as provided herein.

"Sec. 11. Whenever any court of the United States shall issue or deny any temporary injunction in a case involving or growing out of a labor dispute, the court shall, upon the request of any party to the proceedings and on his filing the usual bond for costs, forthwith certify as in ordinary cases the record of the case to the circuit court of appeals for its review. Upon the filing of such record in the circuit court of appeals, the appeal shall be heard and the temporary injunctive order affirmed, modified, or set aside with the greatest possible expedition, giving the proceeding precedence over all other matters except older matters of the same character.

"Sec. 12. In all cases arising under this act in which a person shall be charged with contempt in a court of the United States (as herein defined), the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the contempt shall have been committed: *Provided*, That this right shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice or to apply to the misbehavior, misconduct, or disobedience of any officer of the court in respect to the writs, orders, or process of the court.

"Sec. 13. The defendant in any proceeding for contempt of court may file with the court a demand for the retirement of the judge sitting in the proceeding, if the contempt arises from an attack upon the character or conduct of such judge and if the attack occurred elsewhere than in the presence of the court or so near thereto as to interfere directly with the administration of justice. Upon the filing of any such demand the judge shall thereupon proceed no further, but another judge shall be designated in the same manner as is provided by law. The demand shall be filed prior to the hearing in the contempt proceeding.

"Sec. 14. When used in this act, and for the purposes of this act—

"(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employers and one or more employees or associations of employees; (2) between one or more employers or associations of employers and one or more employers or associations of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a 'labor dispute' (as hereinafter defined) of 'persons participating or interested' therein (as hereinafter defined).

"(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it, and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

"(c) The term 'labor dispute' includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

"(d) The term 'court of the United States' means any court of the United States whose jurisdiction has been

or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia.

"Sec. 15. If any provision of this act or the application thereof to any person or circumstance is held unconstitutional or otherwise invalid, the remaining provisions of the act and the application of such provisions to other persons or circumstances shall not be affected thereby.

"Sec. 16. All acts and parts of acts in conflict with the provisions of this act are hereby repealed."

And the Senate agree to the same.

HATTON W. SUMNERS,

A. J. MONTAGUE,

Managers on the part of the House.

G. W. NORRIS,

T. J. WALSH,

JOHN J. BLAINE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 5315) to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 2 of the Senate amendment contains, in the statement of the policy of the legislation, the phrase "though he [the individual unorganized worker] should be free to decline to associate with his fellows." The phrase is not employed in the corresponding provision in the House bill. The conference agreement adopts the Senate provision.

Section 3 of the House bill and of the Senate amendment are identical, except for minor differences in punctuation. The conference agreement adopts the Senate amendment with minor changes in punctuation.

There are minor differences in the punctuation of section 4 (c) of the House bill and the Senate amendment. The conference agreement adopts the Senate provision.

Section 6 of the Senate amendment provides that no court of the United States shall have jurisdiction upon the hearing of an application for temporary restraining order or an interlocutory injunction to grant a mandatory injunction compelling the performance of an act in any case involving or growing out of any labor dispute as defined in the act. There is no corresponding provision in the House bill. The conference agreement retains the Senate provision.

Section 6 of the House bill provides that no officer or member of any association or organization, participating or interested in a labor dispute, shall be held responsible or liable in any United States court for the unlawful acts of individual officers, members, or agents except upon clear proof of actual participation in or authorization of such acts or of ratification, with actual knowledge of such acts. The section further provides that the liability of any such association or organization for unlawful acts of its members shall be similarly limited. Under the corresponding provision of the Senate amendment (sec. 7) no officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, is to be held responsible or liable in a United States court for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in or authorization of such acts, or of ratification of such acts after actual knowledge. The conference agreement adopts the Senate provision.

Section 7 (a) of the House bill, which deals with findings of fact necessary to be made by the court before a temporary or permanent injunction may be issued, prescribes as one of the classes of findings that unlawful acts have been threatened or committed and will be continued. The paragraph further provides that no injunction or restraining order shall be issued except against the person or persons, association, or organization making the threat or commit-

ting the unlawful act or authorizing or ratifying it after actual knowledge thereof.

The corresponding provision of the Senate amendment (sec. 8 (a)) requires a finding that unlawful acts have been threatened or committed and will be committed or continued unless restrained, and omits the provision including associations and organizations within the exception.

The conference agreement requires a finding that unlawful acts have been threatened and will be committed unless restrained or have been committed and will be continued unless restrained, and includes associations and organizations as does the House bill.

Under the House bill (second subdivision of sec. 7) notice of hearing must be given to the chief of those public officials of the county and city within which the unlawful acts have been threatened or committed. Under the corresponding provision of the Senate amendment (second subdivision of sec. 8) notice of hearing must be given to the chief of those public officers of the county and city within which the unlawful acts have been threatened or committed charged with the duty to protect the complainant's property. The conference agreement adopts the Senate provision except that "officials" is substituted for "officers."

The second subdivision of section 7 of the House bill expressly gives the court the power to fix the amount of the security in the undertaking filed by the complainant. There is no corresponding provision in the Senate amendment. The conference agreement adopts the provision of the House bill.

The third subdivision of section 7 of the House bill provides that the undertaking given by the complainant shall signify an agreement upon which a decree may be rendered upon a hearing to assess damages of which hearing the complainant and surety shall have reasonable notice. The corresponding provision of the Senate amendment (third subdivision of section 8) contains no such provision with respect to hearing and notice. The conference agreement adopts the House provision.

The House bill (section 10) provides that, upon the request of any party to the proceedings, the court shall forthwith certify the entire record of the case, including a transcript of the evidence taken, to the Circuit Court of Appeals for its review. The Senate amendment (section 11) provides that upon the request of any party to the proceedings and on his filing the usual bond for costs, the court shall forthwith certify as in ordinary cases the record of the case to the Circuit Court of Appeals for its review. The conference agreement adopts the provisions of the Senate amendment.

The House bill (section 11) provides that, in cases arising under sections 3, 4, 5, 6, and 7 of this amendatory act in which a person is charged with criminal contempt of a court of the United States, the accused should enjoy a speedy public trial by jury. The corresponding provision of the Senate amendment (section 12) is broader in that it relates to all cases in which a person is charged with contempt in a court of the United States. The conference agreement applies only to cases arising under the act under consideration in which a person is charged with contempt in a court of the United States.

Section 12 of the House bill provides that the defendant in any proceeding for contempt of court may file a demand for the retirement of the judge sitting in the proceeding if the contempt arises from an attack upon the character or conduct of such judge and if the attack occurred otherwise than in open court. The corresponding provision of the Senate amendment (section 13) permits such demand if the contempt occurred elsewhere than in the presence of the court or so near thereto as to interfere directly with the administration of justice. The conference agreement retains the Senate provision except that "attack" is substituted for "contempt."

The separability clause of the Senate amendment (section 15) is broader than the corresponding provision of the

House bill (section 14) in that separability with regard to persons and circumstances is included. The conference agreement adopts the Senate provision.

HATTON W. SUMNERS,

A. J. MONTAGUE,

Managers on the part of the House.

PROHIBITION

Mr. STALKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech I made over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. STALKER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

When prohibition became a part of the American Constitution it became the law of every true American, wet or dry. The question of law enforcement involves the very existence of our form of government—the preservation of law and order. I am not going to trespass upon your time by going back over the history of the adoption of the eighteenth amendment. It was ratified and adopted in the orderly procedure specified by the Constitution. The amendment is a part of the Constitution, the law of the land, binding upon every individual, every official, State or National, and striking down of its own force all laws in contravention of its terms. So long as it remains unchanged, no one can legally or morally manufacture or sell intoxicating liquor for beverage purposes anywhere within the wide domain of the United States.

The American people do not favor any surrender to the bootlegger or the racketeer. This Nation has never retreated. It is not in the mind to permit criminals and lawbreakers to revise its Constitution and repeal its laws. It demands that those in authority attack the foes of law and order. It wants the officials supplied with whatever legal machinery is necessary to win this fight.

Prohibition, compared with other reforms at the age of 12 years, is comparable with the others in their infancy. If history reveals anything, it reveals how slowly a time-worn habit gives ground. It shows that to enforce a new law against an old, deep-rooted custom takes about as long as to accumulate the sentiment which passes the law. Take the American Constitution, passed in 1787. It made us a nation on paper. It was 12 years old when George Washington died. So great then were our troubles with the French that thousands believed the Constitution could never become a working reality.

It takes time to build up reasonable enforcement of a new law. Where such a law is passed by the advanced majority the unconvinced minority must slowly come to a realizing sense of the economic virtues of the new idea. The idea must ripen into custom. The big cities come last into new reforms. But reform comes eventually, for an economic idea will always fight the way to the front. Prohibition came like the antislavery trade act, where only the middle class were converted. The agitation now in the big cities means that the city is at last taking notice of this great social reform. Given time, it too will accept the mandate of the backbone of the Nation, the economic necessity of prohibition.

National prohibition in America is not a failure, nor is it going to be. This Government is based upon the proposition that when a constituted majority in a legal and orderly manner adopt a constitutional provision of law it is wholly binding upon all. This Nation is what it is to-day because the minority, when a public question has been settled, abides by the will of the majority. There is no other way if this Republic is to endure and to carry out the purposes of those who founded it.

Thomas A. Edison said, "America will be irresistible in economics if it remains sober. You hear about restrictions of personal liberty in speaking of prohibition. What is civilization but restriction of personal liberty for the improvement of mankind?"

On his seventy-ninth birthday, Mr. Edison said to a reporter: "Prohibition is a good thing for the children of to-day. It is useless to try to change those who are used to drinking." He said further, "I am a teetotaler from alcoholic liquors. I always felt that I had better use for my head."

At a recent hearing before the Judiciary Committee of the House of Representatives, Director Amos W. W. Woodcock, of the Prohibition Bureau, gave testimony of the highest order. During this hearing he stated that if beer were made legal it would be difficult to confine it to designated places, and that enforcement of prohibition generally would be made more difficult. He cited figures to show that prior to 1920 a free market for beer did not decrease the desire to buy distilled spirits. He showed by reports and figures that the net cost of the Prohibition Bureau was small when fines and forfeitures were taken into consideration. He proved by official data that the prohibition law is enforced better than practically any other criminal law on the statute books.

In 1931, 86 per cent of all those arraigned as violators of the eighteenth amendment were convicted; only 82 per cent of those arraigned for violation of our customs laws were convicted; and similarly only 68 per cent where our banking laws were involved. In January, 1932, the percentage of convictions in prohibition cases had raised to 92 per cent.

Would legalized beer return prosperity? It is said that our economic situation is bad; that millions of men are out of work. I regret this thoroughly. If men have no money to buy food, where would they get money to buy booze? Some say repeal the eighteenth amendment and immediately economic conditions will be better. Consumption of beer in England per capita is larger than in any country in the world, and it doesn't appear to have helped either the industrial or social situation in England.

Germany stands third per capita in consumption of beer and rather high in the sale of hard liquor. The recent crisis in Germany was escaped and the nation saved from bankruptcy only through the good offices of a prohibition country, the United States.

The secretary of agriculture of the State of Pennsylvania recently declared: "Agriculture will not agree to lose the added markets that prohibition brings. The feed that would sustain enough cows to furnish the milk that now replaces beer and whisky is three times as great as the amount of grain that the liquor business used in 1917."

I am also glad to-night to answer the unwarranted attacks made upon the young people of to-day.

The editor of the Journal of the National Education Association gives a most complete and convincing defense of the young people in our schools and colleges. He presented direct testimony from letters and from personal experience in field work. Of 312 letters received from college presidents, only 9 alleged that conditions were worse since prohibition.

The National Woman's Christian Temperance Union addressed an inquiry to 300 college presidents. Of 262 replies only 18—less than 7 per cent of the total—answered that conditions now are either worse than or about the same as before prohibition. From the large land-grant universities—which enroll about one-third of the college students of the country—the Woman's Christian Temperance Union received very interesting facts. Those presidents replied that during 1928 it was necessary to discipline for drinking only sixteen-hundredths of 1 per cent of all undergraduates. A simple calculation places the proportion at 1 student disciplined for drinking to 624 students not requiring such correction. One hundred and forty-seven of these college presidents stated that there is less drinking now at their institutions than there was before prohibition. Ninety-seven college presidents replied that there is either no drinking whatever at their institutions now or so little that it is unknown to the faculty.

I shall quote from large daily newspapers, covering a period of 60 years prior to the adoption of the eighteenth amendment, and prove conclusively to you that throughout the years of the legalized saloon the bootlegger, speak-easy, and poisonous liquor dispenser flourished.

I refer first to the article from an Albany (N. Y.) newspaper in 1858 stating that "only about 100 applications have yet been made for licenses in this city. Nearly or quite 500 are pursuing the traffic without a license or without exhibiting any desire to procure one. This contempt of a constitutional statute is to be regretted."

A New York City newspaper stated in 1860 as follows: "The extensive adulteration of liquors offered in the market as pure, and the introduction of poisonous ingredients into those which are pronounced healthful, may well excite alarm and call for the attention of our legislature. Why then should there be so much brain fever, delirium tremens, and so much sudden death among our young men who indulge at the bar? It can not be explained upon any common principles. An expert chemist of this city bought of an importer a bottle of what is called genuine champagne. An analysis proved it to contain one-quarter of an ounce of sugar of lead. The same gentleman analyzed 16 samples of wines—port, sherry, and Madeira—in which not one drop of the juice of the grapes was found."

In 1866 the New York Times said, editorially: "Of the 10,000 drinking places in the city a very large proportion are unlicensed, and of these again nearly all are nurseries and receptacles of drunkenness."

The chief magistrate of New Jersey, in 1856, said: "It has been long known and incontestably proved by statistical data that the great mass of crime and misery throughout the land may be directly traced to unrestrained indulgence in alcoholic liquor. It is the especial duty of the legislature to check the crime at its source, to shield the weak and helpless from suffering, and it ought to strive by judicial enactments to diminish this fruitful source of human degradation."

I quote as follows from an editorial in the Pittsburgh Leader, January 6, 1901:

"According to the report of Jail Warden Soffel, the total number of prisoners received at the jail in 1900 was 9,182. In the previous year 8,440 prisoners were admitted, this being the largest number for any one year up to that time. The jail physician states that 95 per cent of the prisoners came to grief through the abuse of strong drink."

These abuses and bootlegging just mentioned occurred in the days of the licensed saloon. At the same time the Pittsburgh papers claimed that there were between 2,000 and 3,000 speak-easies and bootleggers in that locality.

I quote from an interview with J. Fanning O'Reilly, editor of the Liquor Trades Review, in the Pittsburgh Leader, January 31, 1898: "The evils of adulteration, imitation, and counterfeiting of labels," said Mr. O'Reilly, "are among the worst curses in the liquor business."

"It will surprise many of your readers to know that 90 per cent of the so-called imported goods sold in this country are

spurious. It is also a fact that 75 per cent of so-called Pennsylvania and Kentucky whisky, although branded as such, never saw those States and is nothing but colored cologne spirits, touched up with other stuffs of that kind, with a very small percentage of the genuine article."

President Keefe, of the Liquor Dealers' Association of Pittsburgh, stated: "At the very lowest estimate the speak-easies, clubs, and other resorts damage the legitimate trade at least 40 per cent annually."

Albert Elsele, head of the Cuyahoga County (Ohio) Liquor Dealers' Association, wrote in the Cleveland Free Press of February 12, 1915, that "more than 1,500 speak-easies are operating openly in this city."

Thirty years ago brewers complained that they were paying a tax on intoxicating 4 per cent and 5 per cent beer, while wildcat competitors made a 2 or 3 per cent beer tax free, a situation unfair to the taxpaying brewers. The big brewers then proved conclusively that liquor intoxicates when it contains more than one-half of 1 per cent of alcohol.

Instead of talking glibly about the evils of prohibition, talk about the evils of the Government-licensed, Government-protected liquor traffic of the saloon days.

Has it occurred to you what the proposal to bring back beer involves?

To bring back beer would also bring back 92 per cent of the liquor trade.

It would make millionaires of brewers—money gathered from the families of those who drank the beer. It would not increase savings, the ownership of homes, the comfort of children, or their welfare and self-respect.

To bring back beer would give the brewers once again their old political despotism. The eighteenth amendment has helped America to achieve the removal of the open saloon which ruined homes, encouraged gambling, and degraded politics.

It has reduced the consumption of alcoholic beverages by 70 per cent within a remarkably short time.

It has eliminated liquor advertising, which appealed to the crudest and lowest emotions to create new victims of the drinking habit.

It has aided and protected children and their mothers from the neglect and brutality of drinking fathers.

Following the eighteenth amendment has come the development of all types of schools. Millions of young people have a richer educational opportunity. High-school enrollment alone in the United States increased from 2,000,000 in 1920 to nearly 5,000,000 in 1930, the most remarkable advance in the history of civilization.

Are the prohibitionists on the run? Look at the facts of the past 10 years.

Twenty-two States strengthened their original prohibition-enforcement laws.

Twenty States retained enforcement laws with little change, despite ceaseless wet efforts for repeal or modification.

Only five States repealed their enforcement laws.

One State, Maryland, has never enacted an enforcement law.

To sum up the decade—22 States strengthened, 20 States retained, and only 5 States repealed their enforcement laws. It seems to me this record indicates quite clearly that sentiment for prohibition, far from lessening, has increased measurably during the past 10 years.

The result of the vote taken in the Senate January 21, 1932, on a resolution introduced by Senator BINGHAM, which stated that the Senate "would welcome" any action taken by the governors of the several States to initiate State referenda on the repeal or modification of the eighteenth amendment and Volstead Act, was 55 votes against and 15 votes for the resolution.

My friends, I have endeavored to give you an outline of the history of the liquor business since 1850. It is replete with corruption, lawlessness, and debauchery. The wets have no ideas but what have been tried out over a period of years, and have failed. They have no solution. They simply want liquor. Bring back liquor—even wine and beer—and you bring back all the evils of the old saloon.

The only solution is prohibition. Under it progress is steadily being made. National prohibition in America is succeeding, and each year enforcement is improving. I thank you.

EXTENSION OF REMARKS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that I may revise my remarks on the motion to discharge the Committee on the Judiciary with reference to the Linthicum amendment.

Mr. STAFFORD. Mr. Speaker, I have no objection to revision.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and, of course, I shall not, I want to ask my colleague if he does not think he ought to request that all Members have five legislative days in which to put their views on this subject in the RECORD. That is nothing but fair to other Members of the House.

Mr. SUMNERS of Texas. I shall be glad to do that, but I would like to have my request granted first.

The SPEAKER. The gentleman from Texas asks unanimous consent that he may revise the remarks he made this

morning on the motion to discharge the Committee on the Judiciary in relation to House Joint Resolution 208. Is there objection?

Mr. STAFFORD. Mr. Speaker, I have no objection to revision.

The SPEAKER. Is there objection?

There was no objection.

THE REVENUE BILL OF 1932

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Nevada [Mr. ARENTZ].

Mr. ARENTZ. Mr. Chairman, early last week I asked the gentleman from Oregon [Mr. HAWLEY] for time to speak against this bill, because I did not like certain features of it. I felt I had studied it, and was inclined to oppose the entire bill. Of course, we did not have much time to put on the bill because it came before the House rather suddenly. Since that time I have been doing quite a good deal of thinking and have studied all phases of this bill. I have listened with a great deal of attention to the debate on the floor of the House. I have evolved in my mind a number of schemes that I thought were practical, but in each case I dismissed the plan as impractical, and at last I have come to the conclusion that the bill before us is about as good as we can get, and to-day I have asked for time to speak in favor of the bill. [Applause.]

I think if a number of the gentlemen on this side of the House, as well as on the other side, would reconsider the statements many of them have made about the bill under consideration at least some of them would come to the same conclusion.

It is not an easy matter to draft a revenue bill. You have got to mix courage with brains in order to produce a revenue bill. You can not do it on the spur of the moment.

It has got to have a broad base and the revenue has to be easy of collection and must be certain. If the bill does not meet all these requirements, it is not the kind of bill we should vote for.

It is easy enough to find fault; but unless we can offer something constructive, I fear the bill will be defeated and something will be offered in its place that will be very unsatisfactory, indeed; unsatisfactory in amount of revenue raised, irregular as to amount, and one that falls hardest on the workers who are least able to pay.

We have heard remarks, stated in different ways, by the gentleman from Georgia [Mr. CRISP], by the gentleman from Illinois [Mr. RAINEY], and by Members on this side of the House; but I want to say particularly that the leaders on this side have expressed to you the fact that they have put their entire heart and soul in this bill, and unless this bill is passed they are going to bring out something here like a row of skyscrapers, with high points and low points, and when it comes to collecting the revenue we are going to find some of the high points have been cut off and that the revenue is not there.

I do not like one or two provisions in this bill. For instance, I am going to do everything I can, and I think the men on this side who are opposed to the bill, as well as the men on the other side of the aisle, should join with me in providing that processed meats, lard, bacon, and things of that sort should not be taxed; and, in fact, that all food-stuffs should not be taxed. I believe we should offer and pass an amendment providing that canned goods are to be excepted, because, after all, the testimony before the House is to the effect that it is not going to touch the table of the

poor man. Let us now live up to that agreement. Let us not do anything in this bill that will tax the table of the poor man, because the gentleman from New York [Mr. LA GUARDIA] is not the only man in this House whose heart is beating in sympathy for the man who works on the train or on the highway or in the shop. We all have sympathy for the man who works. I know that during these trying times my heart has fairly bled for them; but I want to say that if we vote for appropriations to provide work for the unemployed, we have got to vote to raise the revenue. I would feel in my own heart as though I had made a grievous mistake, that I was not being true to my cause or true to my office, if, after voting for the highway bill of \$132,000,000, I was not willing to vote for the revenue to provide the money.

Many of the men on this side who have spoken against this measure are men who voted for the highway bill; and in all conscience, my friends, I do not see how you can fail to vote for a bill to provide the necessary revenue, because, after all, you can not draw water out of the spigot without pouring water into the barrel somewhere, and that is what you are trying to do; and for any one individual in this House to set himself up as being able to present a revenue bill, after giving it a few minutes' or a few hours' thought, is setting himself up to be a mighty big man. The Ways and Means Committee has given many weeks of thought to this bill; other men have given many weeks and months of thought to the bill.

Personally, I believe we have got to raise money. We can not get away from that, and we are going to spend a certain amount of money while we are here, and the longer we stay here the more money we are going to spend. I do not believe we are being true to ourselves if we do not face the situation and be real Americans, regardless of political expedience or anything else, because, after all, we can not make a bill by demagoguery or by political expediency. This is not the way revenue bills are written. We have got to sit down and figure out who is going to pay the tax and whether the tax is resting too heavy on any one individual or a group of individuals.

The statement has been made that this bill will cost the average family \$20 a year. I have great respect for the gentleman from New York [Mr. LA GUARDIA], and I hold him in very great esteem; but I think he is about 75 per cent off, because I can not figure that a man, as he states, spending \$1,000 is going to spend \$20 on account of this tax, because when you come right down to it, the man who has a \$2,000 income, and we must think of that man—we do not want to think, particularly with respect to this tax, of the man who makes four or five or ten thousand dollars a year or one hundred thousand dollars a year—we are thinking about the small man; and I want to say that the small man who spends \$1,000 on his household, whether for clothing, shoes, or food, is going to spend but a fraction of \$20. I would estimate the amount he is going to spend at nearer \$5 than \$20.

I believe it may be stated without fear of contradiction that out of \$1,000 spent by a family, \$400 would be expended on taxable items. In the hands of the manufacturer this amount of goods would shrink to \$200. The manufacturers' tax on this sum of goods would amount to \$4.50. Where \$2,000 is spent by a family for household expenses exclusive of rent, the tax, according to best authority, would not exceed \$9.

I am in favor of the payment of these sums toward the Federal revenue rather than to have a substitute bill under the provisions of which the tax can be passed on from one dealer to another until finally the consumer pays it all.

Mr. RANKIN. This sales tax will put a burden of \$5 on every man, woman, and child in the family.

Mr. ARENTZ. I am glad the gentleman has made that statement. Take the House Office Building. If the gentleman goes along the street he will see the material going in there—stone, concrete, lumber, and every conceivable thing. Who pays for that? That will be paid out of these taxes.

If you look at the freight trains going across the country you will find those cars are filled, not with food and clothing, but most of them are filled with industrial material, with steel, cement, machinery, lumber, and every other conceivable material going into construction. Now, to take the money that will be raised by this bill and divide it by the number of families, and say that that is the average that will be imposed upon each family is absurd. This estimate should be cut down 60 or 75 per cent.

Mr. RANKIN. The gentleman talks about the office building. That is years ago—

Mr. ARENTZ. Now, let us not get into a political discussion. We are talking about the amount that will be raised by this tax bill. We are not talking about Democrats or Republicans.

Mr. RANKIN. The gentleman is getting excited—

Mr. ARENTZ. No; I do not yield any further.

Now, under this revenue measure, we must meet certain conditions. It must have a broad base, and this bill has a broad base. It must be equitable with reference to all taxpayers. I believe this bill is equitable. It must be collected at a minimum cost, and I believe this revenue can be collected at a minimum cost. It must not tax the products of the farm, and, with two exceptions, this bill does not. I hope something can be done to raise the price of theater and movie tickets before the tax is applied. I hope that this defect—because I call it that advisedly—can be remedied and admission tickets up to 35 cents kept free from tax.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield 40 minutes to the gentleman from Maine [Mr. NELSON].

Mr. NELSON of Maine. Mr. Chairman and members of the committee, if you will bear with me for a time, I desire to discuss with you an item in this revenue bill which to my mind is of great importance to the 130 Members of this House representing the Atlantic Seaboard States, from Maine to California. The item to which I refer is (d) (4) of section 601, and is apparently a tariff measure introduced into this revenue bill—a rather marked departure from the usual course of legislative procedure. If the real object of this item is the raising of revenue, then it is rightfully, if surprisingly, here; if, however, it is in truth and in fact a tariff measure inserted in this revenue bill, then, perhaps, I may be pardoned for suggesting its unfairness to those other industries, suffering as the oil industry is suffering during these times of depression, facing disaster from the wiping out of tariff protection through the depreciated currencies of foreign countries, waiting patiently at the front door of your committee, while oil, also seeking protection, slips in the back door and comes out as a tariff item in a revenue measure. However, I am here to question the wisdom rather than the justice of this action; and I do this with reluctance.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. STRONG of Kansas. Does the gentleman say that he is against the tariff bill?

Mr. NELSON of Maine. I will try and answer the gentleman in the course of my remarks. This committee has rendered such notable service to the Congress, there is so much to be commended in this bill, that I am sure the committee will bear with patience the criticism which I feel constrained to make of this one small alien tariff item lost in the mazes of a billion-dollar revenue bill. Doubtless the members of the committee felt that there were peculiar economic considerations, if not political and legislative ones, which justified or made necessary this unusual procedure. The only member of the committee who has discussed this item, the gentleman from Massachusetts [Mr. TREADWAY], frankly states that the first consideration prompting him to support this item was that it is in effect a tariff measure. If his position is that of the committee, we find that to overcome a deficit of a billion and a quarter dollars the committee found it essential to include in its revenue bill a single tariff item, dealing with a comparatively small amount of gasoline, and promising at best a revenue of

but \$5,000,000. Such a position would be ludicrous were it not so serious in its effects on a large section of the country.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. LINTHICUM. Did not the Treasury Department say it did not think it would produce any revenue? I notice in the brackets that the Treasury Department did not note any revenue that would be produced by it.

Mr. NELSON of Maine. I think that is true.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. TREADWAY. The gentleman from Maryland is in error in his reference to the Treasury Department.

Mr. NELSON of Maine. Oh, I yield for anything connected with my remarks, but not for a colloquy between the gentleman from Massachusetts and the gentleman from Maryland.

Mr. TREADWAY. Then let me ask the gentleman from Maine a question, in view of the fact that he agreed with the statement of the gentleman from Maryland. Is it not a matter of record that the Treasury Department said in their report that it would produce \$5,000,000?

Mr. NELSON of Maine. According to an exhibit which the gentleman from Massachusetts introduced into the Record last Friday, which purported to be the estimates of both the Treasury and the committee, there were an estimate of no revenue on the part of the Treasury and an estimate of \$5,000,000 on the part of the committee.

Mr. TREADWAY. The gentleman is mistaken about that.

Mr. LINTHICUM rose.

Mr. NELSON of Maine. Oh, just a moment. I enjoy this, but my time is limited.

Mr. TREADWAY. The gentleman is mistaken.

Mr. NELSON of Maine. The gentleman from Massachusetts goes further and states that "this item is a tariff measure under guise of a tax bill." Those words, "under guise of," strike a rather discordant note, and somehow recall the old Biblical allusion of the voice of Jacob and the hands of Esau.

Again, if the gentleman's position is that of the committee, both Democratic and Republican members have selected from the many this one small tariff item, dressed it up to look like the revenue family, and bundled it into this revenue bill. [Applause.]

That is a difficult thing to believe, even of the Republican members of the committee who are committed to the theory of protection. It is much harder to believe of the Democratic members who are opposed to further tariff legislation.

The gentleman from Massachusetts states that he voted against this item in committee, thus doing violence to those altruistic and magnanimous sentiments which he expressed in the debate of last Friday. He is now for it, and by implication, at least, he relegates those who occupy his former position to the realm of selfish and narrow provincialism. He goes further and characterizes the statements of the opponents of this measure, arguments which once convinced him as fantastic and exaggerated.

How grievously, my friends, we statesmen here in this House are sometimes misunderstood and misrepresented by the folks back home! I hold in my hand a letter from the Associated Industries of Massachusetts and shall read an excerpt from it, not in condonation of the romantic statements which it contains but as evidencing the tendency of the people back home to misunderstand our action. This letter comments upon the fact that the Committee on Ways and Means at one time, convinced that the oil tax would produce no revenue, dropped the consideration of the tariff on oil. I now quote from the letter:

As soon as this fact was learned by proponents of a tariff duty or excise tax on imported oil they hurriedly brought together 40 Members of Congress from the States of Oklahoma, Kansas, Texas, and mid-continent fields, who threatened they would join with others in opposing the manufacturers' sales tax, which constitutes the principal revenue-producing item in the bill, unless an excise

of 1 cent per gallon on imported oil was provided for by the committee.

Fifteen members of the Ways and Means Committee, fearing that the revenue bill would fail of passage if the threat was not heeded, yielded to these importunities Saturday morning, March 5, and wrote the excise-tax rate into the bill as a means of saving the entire measure, while nine members of the committee opposed such a course.

This action constituted an example of the misused power of a determined minority of less than 10 per cent of the House membership, and it is clearly apparent that a majority of the Ways and Means Committee acted under threat, well knowing that there can not possibly be any income derived under the proposal, inasmuch as the excise tax will automatically stop the importation into this country in any considerable volume of crude fuel oil and gasoline.

I would suggest that the Members from Massachusetts correct this unfortunate conception of affairs as speedily as possible.

However, we are all liable to be misunderstood; each of us has his own problems to solve, must rely upon his own judgment, and do his duty as he sees it, unpleasant as it may sometimes be. It is not a pleasant task for me to oppose this oil item. I value the respect and friendship of the Members from the oil-producing States, and nothing that I may say here is in any way personal. I try to take a national view of each problem presented here. I have of this one. I have given it careful study, and that study tells me that this proposed tax is unprecedented, uneconomic, unwise, and unwarranted; that it would be in the interests of the major oil companies and of no material avail to the small producers; that in these times of economic distress it would strike a fatal blow to the industries of the Atlantic seaboard; and that it ought not to be enacted into law. Thus believing, I crave your indulgence that I may state at least a few of the reasons for that belief. If I am wrong in any statement of fact, or in any deduction from established facts, then I welcome correction from any Member of this House.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. NELSON of Maine. I yield.

Mr. LINTHICUM. Is it not true that this tax would strike a vital blow at our merchant marine plying between the Atlantic seaboard and Europe, and practically put it out of business?

Mr. NELSON of Maine. I can not vouch for its truth, but it has been stated that this increase of 70 per cent on the fuel oil used by our shipping would wipe out all the benefit that was given to our shipping by reason of the merchant marine act.

Mr. LINTHICUM. By the subsidies which they now receive for carrying the mail?

Mr. NELSON of Maine. Yes.

TARIFF ON OIL MORE UNJUSTIFIED THAN EVER BEFORE

In the first place, I want to say, without fear of contradiction, that oil imports are to-day relatively less important as compared with the production, consumption, and exports of the United States than at any previous time in our history.

In 1922 when the tariff bill of that year was enacted imports of crude oil into this country were 130,000,000 barrels. Last year they were but 47,000,000 barrels, while the imports of both crude and refined were less than 86,000,000 barrels. In 1922, with imports far in excess of present imports, no tariff was placed on petroleum or its products.

In 1929, when the present tariff bill was written, the oil producers appeared before the House and Senate committees and asked for a tariff on oil. Imports of crude and refined were that year 108,500,000 barrels. The imports for 1930 were about 3,000,000 barrels less than those for 1929. The duty was denied by both House and Senate.

Last year, with imports about 20,000,000 barrels less than in 1930, a strenuous attempt was again made to place an embargo on foreign oil or to secure a tariff of \$1 a barrel plus 50 per cent ad valorem on derivatives. Although politics then entered into the contest, economics finally prevailed and no embargo or duty was placed against foreign imports of this commodity.

This year, for months there has been manifest here in Washington the existence of a large, active, and efficient oil lobby. From this lobby threats of economic and political reprisals have issued. Members of the House from the oil-producing States have been commendably active in what they believed was in the interests of their constituents, and many excellent speeches urging an oil tariff have been made on the floor of this House.

Last Monday the House Committee on Ways and Means, the majority of whom are members of a party historically opposed to unreasonable tariff duties, a party that has consistently criticized the Hawley-Smoot tariff bill as antagonistic to our best national interests, brought in this revenue bill containing a tariff on oil, although the imports during 1931 had fallen off 24 per cent from those of the previous year.

Mr. McCORMACK. Will the gentleman yield?

Mr. NELSON of Maine. I yield.

Mr. McCORMACK. While I am in absolute harmony with the gentleman's position and voted against the provision providing a tax on imported oil, it was not reported out as a party measure. The bill is not a party measure in any respect, and I am sure the gentleman would not want to have incorporated in the Record any accusations or charges which are not absolutely correct.

Mr. NELSON of Maine. I think the gentleman misapprehended what I intended to say, because I was about to proceed to pay my respects to the Republican members of the committee also.

I want to say, and I was about to say, that the position of the Republican members on the committee is equally difficult for me to understand. No Republican Ways and Means Committee of the past—and we have had some very able ones—has ever advocated or countenanced such a tax. No Republican administration, believing as they do in proper protection, has ever levied such a tax. Fuel, including oil, has always been on the free list, and for good reasons, which obtain to-day. Oil is a prime necessity in the production of every commodity, both in industry and in agriculture. Oil is a great, natural, irreplaceable resource, vital to the economic life of this machine age of ours.

Mrs. ROGERS. Will the gentleman yield for a question?

Mr. NELSON of Maine. I yield.

Mrs. ROGERS. Is it not true that in 1920 the Democratic platform stated—

The Democratic Party recognizes the importance of the acquisition by Americans of additional sources of supply of petroleum and other minerals, and declares that such acquisition should, both at home and abroad, be fostered and encouraged.

Mr. NELSON of Maine. That is true.

Mrs. ROGERS. And also declared against any tariff on any fuel in the 1920 platform?

Mr. NELSON of Maine. The lady is speaking of the Democratic platform?

Mrs. ROGERS. Yes.

Mr. NELSON of Maine. Yes.

Mrs. ROGERS. May I make this further statement: Every report of the Federal Oil Conservation Board has urged the investment by Americans in foreign fields as a patriotic necessity. Upon this encouragement this American industry, carried on by companies under American charters, with American workers and operatives and using American ships to transport their product to our shores, has risen and grown. Last year the Bureau of Mines reported to the Commerce Committee of the Senate as follows:

* * * these American companies consistently received the assistance of the United States Government in their efforts to explore and develop oil lands in foreign countries. * * * In its first report the Federal Oil Conservation Board advised "that our companies should vigorously acquire and explore such fields if of importance, not only as a source of future supply but supply under control of our own citizens."

Having thus encouraged American oil companies to develop foreign oil production * * * it might be considered that there has been established an implied obligation to continue in the assistance of American companies engaged in foreign oil production and that the restriction or refusal of admission to the

United States of the oil so produced would be contrary to the encouragement which these companies have received while engaging in foreign oil exploration and development work.

Mr. LINTHICUM. Will the gentleman yield?

Mr. NELSON of Maine. I yield.

Mr. LINTHICUM. May I show the gentleman this summary of a statement which was filed by the gentleman from Massachusetts [Mr. TREADWAY]?

Mr. NELSON of Maine. I have it.

Mr. LINTHICUM. It shows there is no income designated by the Treasury Department.

Mr. HASTINGS. Will the gentleman yield?

Mr. NELSON of Maine. I yield.

Mr. HASTINGS. If there is no income to be derived, what possible objection could the gentleman have to this excise tax? It could not hurt anybody if there is no revenue collected and none derived.

Mr. NELSON of Maine. I will come to that in a minute.

Mr. HASTINGS. I would like the gentleman to answer it.

Mr. NELSON of Maine. I will be glad to answer it. Does the gentleman want me to answer it now?

Mr. HASTINGS. At the gentleman's pleasure. I just want to say that if there is no revenue, then there is none collected.

Mr. NELSON of Maine. I will say to the gentleman if I do not answer it before I finish and the gentleman will call my attention to it, I will endeavor to do so; but if I now answer random questions on various phases of this matter, I can not make a connected statement or finish within the allotted time.

Mr. HASTINGS. There is one other question I would like to have the gentleman answer, if he will permit. During the last campaign Vice President Curtis went to Oklahoma representing the President of the United States, and in a number of speeches at Muskogee, Okmulgee, and Tulsa he specifically promised a tariff on oil.

Mr. NELSON of Maine. I know nothing about that, nor am I the keeper of the Vice President's conscience; but I do know what the Republican campaign textbook says.

Just a word more on oil before I forget it. I say this oil is vital, not only in the economic life of this Nation, but it is essential to our national defense. Secretary Lamont once very properly said that it furnishes the steam in our warships, the flight of our airplanes, the financing of our highways, and the turning of 80 per cent of our wheels. It is a natural resource that is irreplaceable. When this oil is once gone, or wasted, it is gone forever, and in that respect it differs from any other subject upon which you can place a tariff.

The lady from Massachusetts calls attention to the, at least implied, promise of the Democratic Party in their platform. I have here a copy of the Republican campaign textbook for 1928. It calls attention to the fact that there are on the free list a great number and variety of commodities peculiarly essential to the pursuits of agriculture, and cites crude petroleum, gasoline, and lubricating oil as "articles used by the farmer which are on the free list, and so forth," at least an implied promise to the farmers of this country that they should continue there.

Consulting the historic policies of the two great parties, we may well wonder how, to secure \$5,000,000 in revenue for a billion-dollar revenue bill, the Democrats could out-tariff the most ardent protectionists of the past, and the Republicans could revoke their implied promise to the farmers of this country, reverse their historic economic stand, and enter upon this very doubtful venture—a venture that repudiates all their previous economic and conservation theories.

Mr. LINTHICUM. Will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. LINTHICUM. Is it not true that the United States has only 18 per cent of the world's oil supply, that it is using 68 per cent of production all the time, and that eventually we will run out of oil if we limit it to the United States?

Mr. NELSON of Maine. I hope to touch on that subject of conservation later, as I believe it is the most important phase of this problem. What the gentleman says is true; but if he will pardon me, I will not take that phase of the subject up at this time.

The gentleman has suggested that the tariff experts have stated that this item will raise no revenue. I do not make that statement. This item is now in the bill, and I want to give you my idea of what it means and what it will accomplish.

I followed the public proceedings of the Ways and Means Committee. Wirt Franklin, representing these independents, appeared before the committee very properly and made a splendid presentation of his case. The tax which he suggested to the committee was 2 cents a gallon on crude oil, 2 cents on fuel oil, and 4 cents on gasoline, but the evidence from the opponents of that measure was conclusively to the effect that such rates would constitute a practical embargo, and that no revenue would be received. Later the committee, as I understand it, submitted to the Treasury, for a report from its experts, the proposition of 1 cent on crude oil, 1 cent on fuel oil, and 2 cents on gasoline. If I am correct, the experts of the Treasury Department again reported that there would be no revenue expected from this 1 cent on crude oil, 1 cent on fuel oil, and 2 cents on gasoline.

I read from the Journal of Commerce of New York City, of February 23, 1932, quoting what purports to be the report of the Treasury officials. This says:

In the opinion of experts of the Department of Commerce such a tax (1 cent and 2 cents per gallon imported oil) would yield no revenue, since the levy would be added to the import price exceeds the margin of advantage under which oil is imported into this country and would therefore exclude the products affected.

I ask you to note this: That a tariff of 1 cent on crude oil would produce no revenue; a tariff of 1 cent on fuel oil would produce no revenue; and a tax of 2 cents on gasoline would produce no revenue.

Later the committee submitted to the Treasury experts a new proposition, and that is the one which is included in this bill. That is 1 cent on crude oil, 1 cent on fuel oil, and 1 cent on gasoline. According to the exhibit which the gentleman from Massachusetts [Mr. TREADWAY] introduced Friday, on page 5978 of the RECORD, this new proposition was submitted to the Treasury, and the Treasury makes no estimate of revenue. The committee has an estimate of \$5,000,000.

It is apparent, at least to me, that that estimate was arrived at in this way: Last year we imported into this country 13,000,000 barrels of gasoline; 42 gallons in a barrel would be 546,000,000 gallons of gasoline, and at 1 cent you would have your five million and some-odd thousand dollars.

I ask you members of the committee this: If this is a revenue bill and if there is no revenue to be received from 1 cent on crude oil and 1 cent on fuel oil and the only revenue is to be derived from gasoline, why include in this revenue bill items covering both crude and fuel oil?

Of course, I should like to see this item of fuel oil dropped from this general item. You gentlemen know that this tax is not a tax on the country at large but is a tax on a special section of the country. Ninety-nine per cent of all the imports of crude and refined products of petroleum come to the Atlantic seaboard and are consumed there, and none of them goes into the interior.

Mr. McKEOWN. Will the gentleman yield for a question?

Mr. NELSON of Maine. Yes.

Mr. McKEOWN. The gentleman is aware of the fact that the whole of New England uses only 3,000,000 barrels of fuel oil, which is less than the amount used in any other part of the country except the South and the Mountain States.

Mr. NELSON of Maine. I will now refer once more to a statement made by a member of the committee last Friday in regard to the arguments of the opponents of this measure. The gentleman used these words—a rather categorical statement:

The exaggerated statements of additional cost to the eastern coast, running as high as \$100,000,000, are ridiculous and can not be borne out by any authoritative evidence that can be submitted to this House.

The gentleman, of course, knows that in all contracts held by present purchasers in New England with foreign importers the companies insert a clause, which has been accepted by the buyers, that, in the event of a tariff duty, the same will have to be met by the purchaser. Doubtless these contracts are the same along the entire Atlantic seaboard. This territory now consumes 180,000,000 barrels of fuel oil per year. An increase of 42 cents per barrel would amount to \$75,600,000. In case no oil was imported and there was no increase in price and the eastern consumer obtained his oil from domestic sources, the average freight rates from various domestic points exceed those from Venezuela by from 40 to 60 cents, an increased cost of from \$72,000,000 to \$108,000,000. This does not take into account the \$6,000,000 to \$7,000,000 increase in cost of asphalt, the loss of 40,000,000 barrels of bunker-oil exports, the loss of foreign exports of petroleum and its derivatives, the injury to our shipping and ports, or the probable increase of 1 or 2 cents per gallon in the price of gasoline on the Atlantic coast. The estimate of \$100,000,000 loss is too conservative rather than too high.

Mr. LAGUARDIA. Will the gentleman yield on that?

Mr. NELSON of Maine. Yes.

Mr. LAGUARDIA. Is it not true that the argument which the gentleman is making might be applied to any schedule of the tariff, if separately considered?

Mr. NELSON of Maine. Let me say to my friend that not every article or commodity is a proper subject for a tariff, and that I believe that oil is an article that should always be on the free list. This is not my judgment alone, but such has been the judgment of economists of the past. Such has been the judgment of all the Ways and Means Committees of both parties, and such has been the judgment of the great conservationists of the country and of those officers of the Government charged with this great public responsibility.

Mr. SANDERS of Texas. Will the gentleman yield?

Mr. NELSON of Maine. Yes.

Mr. SANDERS of Texas. Is it not a fact that the Ways and Means Committee in the first session of the Congress after Mr. Harding was inaugurated President passed on the matter and put a tariff on oil and it was later taken out at the request of the President?

Mr. NELSON of Maine. That is not a matter with which I am familiar. If the gentleman says that is true, I would be very glad to accept it as a fact.

At this point allow me to enlarge somewhat on the various losses, already referred to, which the enactment of this tariff threatens:

SHIPPING

Section 313 of the tariff act of 1930 provides for a drawback or refund of duties paid on imported merchandise upon the exportation of articles manufactured therefrom. This tax on oil is a tariff measure but does not enjoy the benefits of the existing tariff law. There is no drawback allowed here for exported fuel oil derived from imported crude. Every country in western Europe that imposes a tariff on fuel oil allows the oil to enter in bond and pay no duty when used for bunkering ships. In 1930 we delivered to foreign-bound steamships over 51,431,499 barrels of bunker fuel oil. To all intents and purposes this was exported. With no drawback of duty on fuel oil produced from imported crude, American shipping will be seriously handicapped. It is asserted that the effect of this provision would be completely to offset the aid extended to American shipping by the recent merchant marine act. This tax on foreign fuel oil promises to transfer to foreign ports the bunkering business of the eastern seaboard, amounting to approximately 40,000,000 barrels per year. An item in the financial news of a reliable New York paper states that it will destroy a business of 20,000,000 barrels annually from that one port alone.

As regards coastwise shipping, the present price of bunker fuel is about 60 cents on the Atlantic coast. This measure would increase the cost of fuel oil 70 per cent. It is doubtful if many of the shipping companies could absorb this increased operating cost and remain solvent. The fishing boats of Massachusetts alone consume 25,000,000 gallons of oil of such quality that the California oil alone could meet their requirements.

How can it profit the oil industry of the United States to lose the export of over 50,000,000 barrels of fuel oil annually as bunker fuel in foreign-bound vessels?

As an illustration of the damage which will be wrought to the business of the ports along the Atlantic seaboard, let me refer to conditions at some of the New England ports.

The following table shows in short tons the volume of foreign petroleum and petroleum products received at the ports of Portland, Boston, Fall River, and Providence during the years 1929 and 1930, and the percentage relationship of such oil imports to the total foreign imports received at each port named during the years 1929 and 1930:

Port	1929		1930	
	Tons	Percentage of total imports	Tons	Percentage of total imports
		<i>Per cent</i>		<i>Per cent</i>
Portland.....	75,544	10½	108,515	13
Boston.....	918,557	28	751,068	26
Fall River.....	807,757	99½	819,864	99.9
Providence.....	473,073	73	545,112	71

EXPORT TRADE

The second largest item in our rapidly diminishing foreign trade last year was that of petroleum and its derivatives, amounting to approximately \$270,000,000, against imports valued at \$93,000,000. Every year we export of petroleum and its products far more than we import. In 1927 this excess, in round numbers, was 69,000,000 barrels; in 1928, 62,000,000 barrels; in 1929, 54,000,000 barrels; and in 1930, 50,000,000 barrels.

Much of our exports are refined products representing a great value. The following figures represent the value of our exports and imports for the past three years:

1929:		
Exports.....		\$562,373,366
Imports.....		145,447,979
1930:		
Exports.....		495,451,835
Imports.....		146,457,393
1931:		
Exports.....		271,402,575
Imports.....		93,896,395

This tariff threatens to destroy the petroleum-export business of the United States. Deprived of this market, the Venezuelan producers will naturally turn to the markets to which we have formerly exported our products and will supplant American goods in those countries. Heretofore Venezuelan producers have cooperated with domestic producers in their efforts at proration. Last year, where American production was reduced 5½ per cent, Venezuelan production was reduced 28 per cent. The imposition of this tariff will destroy this mutual effort at conservation and leave the South American producer free to increase his production and fight for the foreign markets which were formerly ours.

ASPHALT

Venezuelan crude is run for fuel oil and asphalt; American crude, for gasoline and lubricating, and so forth. A first-class, hard-surfaced country road will take 200 tons of asphalt per mile. Asphalt has sold this year at \$9 and \$9.50 per ton f. o. b. refinery. Ninety-three per cent of all asphalt used in the East and 54 per cent of all asphalt used in the United States is produced at Atlantic and Gulf refineries from the heavy imported crude oils. Under the proposed tax this asphalt-base crude oil would pay a tax of 42 cents per barrel. It takes 10 barrels of crude to produce a ton of asphalt. If the domestic price of asphalt were

increased in proportion to the tax, the extra cost of asphalt would be \$4.20 per ton, and the cost of hard-surface roads would be increased \$840 per mile. Appropriations for future road building would have to be increased or the mileage materially reduced. This would be a severe blow to the construction of country roads, so much needed. This tax on foreign asphalt crudes might well close the Atlantic asphalt refineries and force the East to obtain its asphalt from California at probable higher prices and higher costs of transportation.

The release of the Department of Commerce at Washington, dated May 15, 1931, and entitled "Reduced Asphalt Demand Met by Lower Refinery Output," shows that in 1930 54.8 per cent of all asphalt manufactured in the United States was made from foreign crude. It shows the following production by districts:

	Production, 1930
East coast.....	1,506,900
Appalachian.....	44,805
Indiana-Illinois.....	485,891
Oklahoma-Kansas-Missouri.....	29,743
Texas:	
Gulf coast.....	210,305
Rest of State.....	239
Louisiana-Arkansas:	
Louisiana Gulf coast.....	312,065
Northern Louisiana and Arkansas.....	99,360
Rocky Mountain.....	7,522
California.....	629,548
Grand total.....	3,326,378

Foreign crudes were used in the manufacture in the east coast, Gulf coast, and the Louisiana Gulf coast production.

The greater proportion therefore of the American production of asphalt from American crude was in California. The supply of heavy crude oil in California is limited.

Probably nowhere in the United States could there be secured the 16,000,000 barrels of asphalt required each year for road-building purposes in the eastern seaboard States, except at a prohibitive price.

GASOLINE

Sixteen to twenty per cent of all the gasoline used on the lantic seaboard is imported or derived from imported crude. Such importations enable the people of the East to purchase gasoline at prices comparable to those prevailing near the production and refineries of the Midwest.

Gasoline prices follow the price of crude. The Federal Trade Commission, in its report of 1928, page 3, states:

Gasoline prices were promptly advanced throughout the country whenever there was an advance in crude prices.

And on page 175 it is again stated:

As a rule, price advances in crude petroleum have been followed promptly by gasoline price increases.

It was testified before the Senate committee last year that in general there has been an advance of 1 cent a gallon in the price of gasoline for every advance of 25 cents a barrel in the price of crude. Past experience in the industry shows that an increase of 42 cents per barrel in the cost of crude oil would be followed by an increase of from 1 to 2 cents per gallon in the price of gasoline.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield the gentleman five minutes more.

Mr. NELSON of Maine. Now, I will revert to the question asked me by the gentleman from Oklahoma [Mr. HASTINGS]. He asked me why, if no revenue is to be derived from the bill, I complained.

Assuming, if you can, that the tax will have no effect on domestic prices of fuel oil, yet the ultimate consumer on the Atlantic seaboard may no longer avail himself of his natural advantage of cheap water transportation from South American ports, but must get his fuel oil by tank car or pipe line from the Southwestern States or California at an increase in transportation rates, which these industries can not absorb, which the pipe lines do not need, and which are of no benefit to the producers of petroleum.

According to the recent report of the Tariff Commission, the average transportation costs of a barrel of oil to the Atlantic coast for the years 1927-1930 were as follows:

From Venezuela.....	\$0.248
Average all domestic sources.....	.8131
From California (1927-1929).....	.643
From Oklahoma (1930).....	.8466

If foreign oil is excluded by this act and there is no increase in price by domestic producers, then the consumers on the Atlantic seaboard will be penalized the extra cost of transportation, running from 40 to 60 cents per barrel, thus practically doubling their fuel bill, with the money going to the transportation companies and benefiting the oil industry in no way.

It has been suggested here that the eastern seaboard consumers might secure their fuel oil from west Texas crude at a cost of \$1.15 per barrel, viz, \$1 refining cost and 15 cents cost of transportation. That is, if the west Texas producer would forego his profit and sell to us at cost, and transportation figures continued at 15 cents, instead of the 77-cent average for 1927-1930, we could secure our fuel oil at twice its present cost, an increase that would ruin our industries already operating in the red.

Moreover, an attempt on the part of the oil industry in the mid-continental fields to supply the eastern seaboard fuel-oil requirements would demolish the industry's price structure throughout the United States. Neither should California deplete its reserves of gas and fuel oil upon which the industrial life of the Pacific coast depends for its continued existence. In 1930, the latest figures available, there were produced in California 114,700,000 barrels of gas and fuel oil and there were consumed in the Pacific coast area 114,060,000 barrels. The imports to supply the fuel oil and asphalt requirements of the East are a benefit rather than a detriment to the oil industry of the United States.

Mr. HASTINGS. The gentleman says it will cost 81 cents to get oil from the mid-continent field?

Mr. NELSON of Maine. It is not a question of what "the gentleman says," these are computations taken from the figures that were submitted to this Congress in the report of the Tariff Commission.

Mr. HASTINGS. Very well. The gentleman says that it costs 24 cents a barrel to get the oil from Venezuela. This tax is 1 cent a gallon, which would be 42 cents, and 42 and 24 make 66 cents. So, according to the gentleman's statement, he can get it cheaper from the mid-continent.

Mr. NELSON of Maine. I do not understand the gentleman's reasoning. Did not the gentleman from Oklahoma suggest on the floor of the House that the requirements of the Atlantic seaboard might be filled by oil from the west Texas field, delivered at a cost of \$1.15—\$1 for refining and 15 cents for transportation?

Mr. HASTINGS. I think the gentleman must be mistaken.

Mr. NELSON of Maine. Does the gentleman say that that was not in the matter that he put into the RECORD?

Mr. HASTINGS. I do not recall any such figures at all. All the figures I put in were mine, and I stand by them. I am sure if the gentleman looks up the RECORD he will find that he is mistaken about those figures.

Mr. NELSON of Maine. I want to say that the Atlantic coast can not economically use fuel oil from domestic sources. Each one of these mid-continental fields—mid-continental field, the California field—each have their own zones of service. Neither the California field nor the Texas field can produce fuel oil for use on the Atlantic coast without producing a great quantity of gasoline, and absolutely demoralizing the price structure of the whole petroleum industry in the United States.

Let me state here the reasons why I do not believe this tariff on oil will be of any considerable benefit to the independent producer.

DOMINATION OF OIL INDUSTRY BY LARGE INTEGRATED COMPANIES— ITS EFFECTS

The oil industry of the United States falls naturally into two distinct branches, each covering a specific field: (1) The production branch, having to do with exploration, development, and production of crude petroleum; and (2) the utilization branch, which concerns itself with the trans-

portation, refining, storage, and marketing of the derivative products.

The great bulk of the crude oil produced in this country passes out of the ownership of the thousands who produce it into the ownership of a few hundred refiners. The cost of the raw material to the refiner is the sale price to the producer. Each desires to secure the greatest possible profits. Between the two branches an economic struggle is inevitable. Such an economic struggle, unequal and destructive, is now going on; and, together with disorganized, unrelated, and scattered production, is largely responsible for the ills of the independent producers. No tariff, import duty, or excise tax can restore right economic conditions, or, if restored, preserve them against the uneconomic and unfair practices of the great integrated companies.

In 1911 the Supreme Court of the United States dissolved the Standard Oil holdings into 34 separate units. To-day there is a domination of the oil industry as complete, unfair, and destructive as ever it was in the past, and it will take something more than a cent a gallon on the imports to the Atlantic seaboard to remedy these fundamental economic conditions.

Less than 100 large integrated companies absolutely dominate the industry and control the price of both crude oil and refined products. This domination is exercised through a firm hold on the transportation, refining, storage, and marketing facilities. Out of the thousands of oil companies in the United States you can select 10 of the so-called Standard companies and 10 of the great integrated non-Standard companies and those 20 companies will represent 80 per cent of the total capitalization of the oil industry (\$12,000,000,000), produce practically one-half (48 per cent) of the total crude-oil production, own 90 per cent of the pipe lines, transport practically all of the oil, possess 73 per cent of the crude-refining capacity, and, what is still more vital, 93 per cent of the cracking capacity, own practically all of the 700,000,000-barrel storage capacity of the country and probably 85 per cent of the retail-distribution facilities. The remaining 20 per cent of the industry, producing 52 per cent of the crude oil, is made up of thousands of companies, organizations, and individuals; and it is these independent producers who are getting much the worse of this economic struggle.

Where in a given field the great integrated organization, through affiliated companies, owns the pipe line, the refinery on the pipe line, and the purchasing company, the unfortunate producers have but one means of transportation, the company's pipe line; but one consignee, the company's refinery; and but one purchaser, the organization's purchasing company. Having no storage capacity, but one means of transportation, one consignee, and one purchaser, the producer is obliged to accept the price posted by the purchasing company, however low it may be. There is no other purchaser and no other price.

These great integrated companies controlling production, transportation, refining, and storage can make their profits in any one of these divisions, and in that one which will most injure its competitor. For instance, the Humble Oil & Refining Co. in three years down in Texas, fighting the independents, lost \$20,000,000—that is, the oil company lost \$20,000,000—while the Humble Pipe Line Co. in that same period made \$79,000,000. It cost something to put the independents out of business, but the combination had a net profit of \$59,000,000.

The Independent Monthly, issued by the Petroleum Association of America, in its issue of July-August, 1931, gives the following illustration of the way in which the great integrated companies throttle the independents:

The posted price for crude oil is reduced at the well through what is known as the "service-charge system," brought to Texas by the Prairie Oil & Gas Co. and the Prairie Pipe Line Co., both Standard subsidiaries. Under this system a Texas subsidiary corporation purchases oil at the price posted by it at the well, transports it to tidewater, and there sells it to another subsidiary on the following basis, assuming, for example, the case of oil produced to-day in west Texas and transported to tidewater, the world market:

Posted price for 41° oil July 10, 1931, to producer.....	Cents 10
Gathering charge, Humble tariff No. 43 (to pipe line), to parent corporation.....	12 1/2
Trunk-line charge to tidewater (to pipe line), to parent corporation.....	40
Ship-loading charge (to pipe line), to parent corporation.....	2 1/2
Total at tidewater pumped aboard ship.....	65
Service charge, or premium, to parent corporation.....	20
Base price on tidewater.....	85

In this set-up the parent corporation—the Texas subsidiary—receives 11 cents per barrel in transportation profit of the owned pipe line through ownership of pipe-line company stock, and 20 cents per barrel through buying and selling oil, or a total of 31 cents per barrel net profit on oil purchased for just 10 cents per barrel. This is to-day's frightful condition.

Under this system, before the costs of refining begin, we have a total net profit to the integrated companies of 84 cents per barrel on every barrel of oil that nets the producer but 10 cents, as follows:

Pipe-line earnings, per barrel.....	\$0.11
Service charge, or premium.....	.20
Average reduction in posted prices.....	.53
Total profit per barrel.....	.84

How can a tax of 1 cent a gallon on imported crude remedy in any substantial manner this condition in Texas, which is typical of general conditions throughout the oil industry?

Apparently there is still plenty of money being made in the oil business as a whole, even in these times of deep depression. According to Mr. Franklin, no independent company was able to pay dividends last year, yet the dividends of the Standard Oil group increased steadily from \$200,000,000 in 1926 to \$286,000,000 in 1930.

Meantime the pipe lines of the great integrated companies were doing a rather good business. I quote from an article on Control of Texas Oil By Transportation, by Harry Pennington, in the July-August, 1931, issue of the Independent Petroleum Association of America Monthly:

The Interstate Commerce Commission has compiled its statement No. 3,170 from sworn reports of common-carrier pipe lines for year 1930, and the following is copied from the statement, with prices taken from the Oil and Gas Journal:

Name of pipe-line company	Barrels of crude oil transported	Net income as reported	Dividends declared for 1930
			Per cent
Humble Pipe Line Co.....	172,385,186	\$18,816,057	40
Magnolia Pipe Line Co.....	97,734,137	10,536,479	46
Gulf Pipe Line Co.....	77,016,459	10,346,992	1338
Gulf Pipe Line Co., Oklahoma.....	30,224,892	3,435,396	400
Texas Pipe Line Co.....	42,689,125	9,626,402	93.4
Texas Pipe Line Co., Oklahoma.....	15,294,741	1,099,061	100

¹ Earned \$10,346,922; on capital stock, \$3,500,000.

The foregoing earnings accrued to the parent corporation through ownership of the pipe-line company's stock.

On a per barrel basis of net earnings we have:

	Net profit per barrel
Humble Pipe Line Co.....	\$0.11
Magnolia Pipe Line Co.....	.11
Gulf Pipe Line Co.....	.13
Gulf Pipe Line Co. of Oklahoma.....	.11
Texas Pipe Line Co.....	.22
Texas Pipe Line Co., Oklahoma.....	.07

An average for the whole of..... .12

The Stanlin Pipe Line, said to be owned by the Standard of Indiana, paid 61.54 per cent.

Amend the interstate commerce act so as to apply to pipe lines the same prohibition against hauling its own products as now applies to railroads. Divorce transportation from production and you will have done far more for the independent producers than any tariff act can ever do. In private conversation the honest independent oil man will admit this statement to be true. A bill to accomplish the purpose is already before the House Committee on Interstate and Foreign Commerce.

MONOPOLY AND UNEQUAL AND UNEQUITABLE DISTRIBUTION OF PROFITS

In February, 1931, Charles E. Bowles, statistician for the Independent Petroleum Association, in support of a proposed measure for the divorcing of the pipe lines from production, gave some very interesting figures before the Committee on Interstate and Foreign Commerce.

The total assets of the petroleum industry are \$12,000,000,000, distributed as follows:

	Invested	Proportion received
Production.....	\$6,000,000,000	\$1,101,000,000
Transportation.....	¹ 1,500,000,000	346,000,000
Refining.....	¹ 2,500,000,000	593,000,000
Marketing.....	¹ 2,000,000,000	3,084,000,000
		² 450,000,000
The consumers paid.....		5,574,000,000

¹ About.

² Taxes.

These figures might indicate that when the public are paying five and a half billion dollars for the derivatives of a raw product that netted the producers but a little over \$1,000,000,000, and which required comparatively little processing, they are paying a price that equitably distributed throughout the industry would be adequate for both the production and the utilization ends of the business.

Alfred M. Landon, chairman of Kansas delegation of the Governors' Oil Relief Conference, Independence, Ohio:

"To-day the greatest danger facing the oil industry is not from without but from within—and that danger is the elimination of competition through integration which is only a gentle-sounding phrase under which monopoly masquerades."

An excise tax will not do away with the domination of the business by the great integrated companies. These great combinations will still hold their transportation, refining, marketing, and storage facilities, and with them the power to oppress the independent producer, and the power to fix prices of both crude and derivatives, in spite of economic laws, in spite of any tariff of 1 cent a gallon on imported products. If there is any money to be made by this tariff, it will be these great integrated companies that will make it and not the independents.

Last year the Capper bill, providing for an embargo on import of oil, came before the Senate. Senator ASHURST, of Arizona, opposed it in the following words (CONGRESSIONAL RECORD, March 2, 1931, pp. 6722, 6723):

"We are asked, in behalf of the Sinclairs and Dohenys, to put an embargo upon the importation of oil.

"Mr. President, there is a larger question here than the mere question of serving the oil interests and the Dohenys and the Sinclairs of this country. Are we going to levy a tax, already too heavy, upon every person who uses an automobile, upon every farmer who has a motor upon his farm, in order to swell the profits, already great, of the oil industry?"

If the result of an excise tax is to increase prices of crude and gasoline, then the immediate beneficiaries of the law will be the great integrated companies who control the storage capacity of the country, and who will at once benefit to the extent of the 612,176,000 barrels of oil in storage in October, 1931, and the 43,000,000 barrels of gasoline stated by Wirt Franklin to be in stock at the present time. Pass this tariff item and you are taxing your manufacturers, your public utilities, your shipping, your home owners, your automobiles, not in the interests of the small producer, but in the interests of the great monopolies already bloated with excessive profits.

OVERPRODUCTION

There is another evil inherent in the industry itself which no excise tax can ever reach. A recent issue of the Oil and Gas Journal points out that the principal reason for the turmoil of last year was the terrific volume of "overhanging potential" crude-oil production. When the year opened there was already a large overproduction of oil, and east Texas loomed like an approaching tornado on the horizon. The hearings before this committee last year revealed the fact—since corroborated by others—that the potential capacity of the wells now drilled is from five to eight times

consumptive needs, yet 18,955 producing wells were completed in 1926, 14,571 in 1927, 12,492 in 1928, 15,509 in 1929, and 11,558 in 1930. Thousands of these wells were opened up long after the industry found itself in distress from overproduction. Secretary Wilbur, in a recent article, stated: " * * * The present glut of oil will be looked back upon by our descendants with incredulity and with resentment." There is no suggestion of an oversupply in sight. Our reserves, measured against our assured future demands, are far from imposing. We have not found too much oil, but we are producing to-morrow's oil to-day.

Mr. Wirt Franklin, the oil expert who appeared before the Committee on Ways and Means in behalf of the independent producers in whose interest this tax is asked, making a fine distinction in words, claimed that there has been no overproduction; that the wells have been throttled down; that proration has been practiced by both domestic and foreign producers; that in 1930 domestic production plus all foreign importations failed to meet our consumptive needs by 23,000,000 barrels; and that in 1931 domestic production and foreign imports failed to meet our consumptive demands by 45,000,000 barrels; that thus it was necessary to withdraw 68,000,000 barrels from storage to meet the deficit during those two years.

Assuming these statements and these figures to be correct, then if there were no overhanging potential, if economic laws were allowed to work and were not set at naught by the domination of the great integrated companies, the price of oil during those years when production failed to meet consumption should have risen. There was that overhanging potential. There was an arbitrary domination of prices of both crude and derivatives by the great companies, and while the Standard group paid dividends of \$286,000,000 in 1930 and the pipe lines paid dividends ranging from 40 to 400 per cent, the price of oil to the independent producer went steadily down.

With a potential production in the United States from five to eight times consumptive requirements, available at any time by simply turning the valves of the pinched-in wells—kept off the market only by proration and martial law—an artificial rise in prices through this tax would in the end hopelessly complicate the industry's real problem, that of controlling overproduction.

ATTEMPT TO FORCE AMERICAN PEOPLE TO PAY FOR PETROLEUM PRODUCTS THE COST OF THE MOST INEFFICIENT AND EXPENSIVE PRODUCTION

Of the 330,000 producing wells in the United States, Mr. Franklin states that approximately 300,000 produce an average of one and one-half barrels per day by pumping, some of which are in Pennsylvania, 40 years old. The world and the oil industry have moved forward in 40 years. In the great economic advance made possible by scientific inventions, improved methods and technical processes, individuals must inevitably suffer that the race may go forward.

When asked by Mr. Rainey as to the cost of a barrel of oil, Mr. Franklin states that the Tariff Commission found that cost to be \$1.09 per barrel. This cost includes interest on the investment at 6 per cent and depreciation. The figures of the commission, as this committee knows, were derived from the combined cost of all wells, of which 300,000 out of the 330,000 were these small high-cost pumping wells, producing an average of a barrel and a half a day. They represent the most inefficient and expensive production. The output of one Oklahoma gusher alone would be equivalent to thousands of these small wells in the old mid-continental fields. The free-flowing wells of east Texas alone have reached a production per day greater by 100,000 barrels than the daily average of these 300,000 high-cost wells combined. If the American consumer is to be charged at the rate of \$1.09 cost for oil for all time, if the high-cost well is to fix the price, then you are setting back the hands of time some 40 years and you are adopting for the oil industry the suicidal policy formerly practiced by the coal industry of making the consumer pay the excessive price at which the high-cost coal mine could operate at a profit, a policy that drove the manufacturers of New England and other sections to

substitute for the high-cost coal the cheap fuel oil of Mexico and later, Venezuela.

The American petroleum industry has never supplied the fuel-oil requirements of the eastern seaboard consumers nor is this a case where foreign oil has displaced that of domestic production.

If it is true, as claimed by the oil people, that our supply of oil is inexhaustible and that there are vast fields as yet unexplored, then this policy is indefensible. If our supply is limited, and may fail national needs, then the importation of fuel oil for the needs of the Atlantic seaboard, practically the only part of the country unsupplied, is but a wise conservation measure.

The people of my State are ready and willing to bear their equitable share of the Federal taxes necessary to balance the National Budget, but they do not deem it fair that, in addition to the general tax of 2¼ per cent assessed against the country as a whole, a special tax of 70 per cent should be laid upon a particular section of the country by thus taxing a commodity that enters so importantly into the agriculture, the industry, the shipping, and the daily lives of the people of that section. Give us a tax bill that shall at least lay its burdens equally upon every part of the country.

CONSERVATION

The conservation side of this problem should not be minimized. With perhaps 18 per cent of the world's known supply, we have been producing from two-thirds to seven-tenths of the total world output of crude petroleum for the past 15 years. The inadequacy of our American reserves has impressed itself on all responsible public officials. Conjectural and high-cost sources offer little of promise.

Looking for ways and means to conserve our national supply of oil, Congress provided for the creation of a Federal Oil Conservation Board, appointed by President Coolidge. In 1926 this board considered the matter of reserves and made several reports to the President of the United States. It recommended that American companies should acquire and vigorously explore the oil fields of Mexico and South America, that we might not become dependent upon foreign-controlled sources for our oil supply.

The Venezuelan crude now being imported comes largely from American operators who were encouraged and assisted by the Government to explore and develop these resources. May there not be at least some implied obligation on the part of this Government to deal fairly and consistently with these American investors?

In its report to the President of January, 1928, the board further states:

According to the present opinion of our best petroleum geologists, our total resources instead of being 68 per cent of those of the world are not more than 18 per cent. * * * If the international comparison is made, this country is depleting its supply several times faster than the rest of the world. * * * The depletion rate of our own resources can be brought more into accord with that of foreign resources only in one way * * * by importing a greater quantity of crude petroleum. * * * Cooperation in the development of foreign oil fields, through technical assistance and further investment of American capital, would seem to be a logical conservation measure.

In its last report, that for 1930, the board most properly stated:

* * * Oil is an irreplaceable natural product and the oil resources of the country are limited. Increased production is not an index of the remaining resources but a record of depletion and a warning of impaired reserves. * * * Even the most generous estimates place the date at which our oil reserves will be practically depleted, under present rates of consumption, in the comparatively near future. In the interests of national defense and industrial prosperity this generation should not be permitted to waste this irreplaceable natural product and thus seriously handicap future generations of Americans.

[Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOCH].

Mr. HOCH. Mr. Chairman, I had not expected to speak this afternoon, but I can not resist the opportunity to say a few words in answer to the free-trade argument of the distinguished Republican from the great State of Maine [Mr.

NELSON]. If it had not been for the experience of the last session, I would never have thought that I would ever find it necessary to come to the defense of one gentleman from the great section of New England who had spoken broadly in defense of the policy of protection, and defend him from attacks made by his colleague from the State of Blaine, of Reed, and of Dingley.

Mrs. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. HOCH. I am very glad to yield to the gentlewoman from Massachusetts, although I am a bit uncertain as to whether she desires to defend her colleague from Massachusetts [Mr. TREADWAY], who spoke in behalf of protection, or to join in the attack upon him.

Mrs. ROGERS. I just wanted to ask the gentleman's opinion. Does he think that New England has ever asked for protection of any industry that would mean the destruction or the hampering of another industry? We have asked for protection and not for destruction. It seems to me that this is destruction.

Mr. HOCH. No one is here proposing a policy of destruction. We seek to save a great independent domestic industry from destruction. I hold in my hand the tariff act of 1930, and if I were to read the items of the tariff act in which New England is directly concerned I would use the rest of the afternoon. I refer to items as to which it has sent its representatives to Washington time and time again in behalf of the policy of protection. I am surprised to find that the great State of Maine sends a distinguished gentleman here who would raise his voice in behalf of those who have always made the same argument which he makes now against the policy of protection. If I had the time to read a large part of this tariff act—

Mr. SANDERS of Texas. Put them in the RECORD.

Mr. HOCH. I would read a large part of the act representing the successful efforts of New England industry to get protection for themselves. Not only have they succeeded in getting written into the tariff act all of the items that I could read—covering textiles, cotton, and woolen goods, shoes, fisheries, hundreds of other items including potatoes, which I gladly helped my friend from Maine [Mr. NELSON], who has just spoken, get protection on at the last session—but I call attention to a bill which the gentleman himself introduced at this session, which is entitled, "A bill for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes."

They now seek protection for their lobsters and ask an embargo.

I read from section 3 of that bill, recalling that the gentleman talked something about an embargo:

The importation into the United States, or any Territory or District thereof, of any lobster less than 3½ inches in length, measured from the rear of the eye socket along a line parallel to the center line of the body shell to the rear end of the body shell, or any lobster meat frozen, chilled, cooked, or in the raw state, unless hermetically sealed—

And so forth, is hereby prohibited.

The gentleman not only wants to hold on to protection on all of the industries in which his State is interested and to get further protective tariff on wood pulp and print paper, but now sounds a battle cry of embargo to protect the Maine lobster.

The gentleman speaks about an oil lobby. I can imagine with what pious fervor the manufacturers in New England hold up their hands in holy horror when they think about anybody down in Washington lobbying for a tariff on oil. It is true that there have been men here seeking to get protection for oil, and I say to you that they came out of a distressed condition as great or greater than ever confronted the State of the gentleman who has just spoken to you.

I come from a section that has many oil wells. I have seen not only the large producers, but the small men, the little producers, forced to the wall. I have seen them put into effect measures to protect their industry, and I speak advisedly, more than any industry I know of has done in America, to set their house in order. I have seen them do it by law, I have seen them even in the State of Oklahoma

do it almost at the point of the bayonet, seeking to find some means of saving from destruction those that were hit by this situation. I have seen them hold down their own domestic production, enforce it by State law, and yet I have seen that effort to conserve and save their own industry thwarted by a few great oil companies who are concerned with bringing in foreign oil to destroy the American independent producers. The gentleman talks about the increased price that they will pay for fuel oil. Let me predict to the gentleman from Maine and to other gentlemen who are here opposing this item that if you permit these few concerns which are interested in the importation of foreign oil produced by cheap foreign labor to have their way, they will in a comparatively short time have absolute control of the oil industry of the United States. Then let us see, after they have throttled the independent producers, what the manufacturing plants of New England will pay for their fuel oil. And what consumers of gasoline will pay for gasoline.

I say to you that the gentleman from Massachusetts [Mr. TREADWAY] who lifted his voice the other day in behalf of a fair deal for other industries who were seeking the same protection which you have sought and have secured for, lo, these many years, and which we of the Middle West have gladly helped to give you, was speaking for the interests of New England. He was speaking for New England interests not simply for to-day, but he was speaking for the interests of New England to-morrow.

I do not say it as a warning, but I say it as a fact, if you of New England can afford to come here and sacrifice the policy of protection when our industry is prostrate, we can get along without the policy of protection if you can do so. I bid them to think well before, at the behest of a handful of manufacturers of New England, disregarding the policy upon which New England has grown and prospered for these many years, they surrender such a policy. I say to you that in the long run New England will suffer more, in my judgment, from a betrayal of that policy than any other section of the country.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield to the gentleman from Kansas five additional minutes.

Mr. HOCH. Now, there has been talk about conservation. One of the great papers of Washington, the Washington Post, had a very powerful editorial the other day in behalf of conservation, in opposition to the oil tariff, and yet I think it was in Saturday's paper they had another equally powerful editorial calling attention to the exports of oil and saying, "Look at our vast exportations of oil which will be destroyed if we have an import duty on oil."

In other words, we can send out of the country all the refined products of oil in the shape of gasoline and yet remain true to this policy of conservation that is talked about so much. If we need to conserve oil for American use, what logic is there in worrying for fear our great exportations of oil products will be decreased? Does this vast exporting mean conservation for America?

Let me call the attention of New England to another matter, in their own interest.

Mr. GIFFORD. Will the gentleman yield for a word?

Mr. HOCH. Yes.

Mr. GIFFORD. Can the gentleman make it a little broader than New England? New England is tired of having to assume this whole burden when it comes to tariff matters. The gentleman should broaden the term and include all manufacturing sections of the country.

Mr. HOCH. Apparently the others have been able to get New England to lead the fight. Apparently they prefer that the attack that may result be centered upon New England rather than upon them, and I do not blame the gentleman from Massachusetts for seeking to avoid the consequences of the position which he has taken.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. HOCH. I yield.

Mr. STRONG of Kansas. I wanted to suggest the gentleman broaden the term to apply to the fellows who are free traders on raw material.

Mr. HOCH. Yes; but I can not now take any further time on that.

I want to call attention to another matter. I trust they will pardon a westerner for suggesting another phase. A month or so ago the State of Maine—or New England, I guess it was—sent a lot of manufacturers, boosters for business, out through the Middle West. They came there to promote the sale of New England products. The first thing they ran into in that great oil country was that it was prostrate; not only the producers of oil but the little farmers who were drawing a small income out of the production of this oil; and they found there was no buying power for the manufacturers of New England. They began to send some wires back to New England Members: "What is the matter with you people back there? They tell us out in Kansas and in Texas and Oklahoma that they can not buy the products of our industries because you have led the fight to destroy the industry which gives them a large part of their buying power."

I ask you from New England whether you can afford, in your own interest, simply because, as you conceive it, some of your people would be hurt by a tariff upon fuel oil, to help destroy the buying power of the great Middle West upon which you must depend for your markets when it comes to all of these other manufactures?

I ask the shoe people of Massachusetts, "Are you here protesting against protection to our industry?" I ask the textile industry of the State of Massachusetts, "Are you here objecting to our effort to get the same sort of protection which you have had?" I say to all these industries of New England, "Consider well whether you can afford in your own interest to lend yourself to helping destroy an industry which has been one of the great industries of this country, whose people are suffering as much as any people in this country because of this condition, an industry which, as I say, has done more than any other industry to save itself."

I challenge anyone to show me an industry which has imposed upon itself as much a measure of conservation, as much a measure of limitation of production as the oil industry. Show me where there is any industry in America which has done as much in its own right and by its own effort to meet this problem as the oil industry before it came to Washington for help. Show me one. I say to you—in all the category of these industries that have received protection—you can not show me one that has imposed upon itself the restrictions which the oil industry has imposed upon itself in an effort to meet this situation.

Mrs. ROGERS. Will the gentleman yield?

Mr. HOCH. I yield.

Mrs. ROGERS. Is it true that the people of the mid-continent area have sent telegrams saying that they would boycott the New England industries if their Members voted against a tariff on oil?

Mr. HOCH. I do not think they have. I will say, however, that I know of scarcely anything that might offer greater temptation to people to indulge in that kind of practice. [Applause.]

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, I yield the gentleman one additional minute.

Mr. GIFFORD. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. GIFFORD. I want to ask the gentleman if he realizes that probably these people from New England—and I would like the gentleman to broaden it in order to take in the whole coast line—will vote for this bill even if they do not favor this matter of oil? Will Kansas and Oklahoma vote for this bill? According to newspaper reports, I do not think so. But I am asking: Will you vote for this manufacturers' tax in this bill if you do not obtain this tariff on oil?

Mr. HOCH. We do not put a tariff on oil as the price of any attitude we take. [Applause.] We will seek, I will say to the gentleman, to pass on this tax bill on its merits as a whole when it comes before us, and I hope the gentleman from Massachusetts will not determine his course solely upon the ground that it contains a little bit of help for the oil industry. [Applause.]

Mr. GIFFORD. I am for the bill, even if the tariff on oil is imposed, and that seems to be the attitude of Members from the Atlantic seaboard States in contrast to those from the oil States.

[Here the gavel fell.]

Mr. HILL of Washington. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. SANDERS].

Mr. SANDERS of Texas. Mr. Chairman, I intended to discuss at this time this revenue bill generally; but, since events have come about to change the thing a little bit, I am going to talk particularly on the oil question.

The gentleman from Kansas struck a very responsive chord in my heart in his speech, because when our good friend the gentleman from Maine [Mr. NELSON] was before our committee—and I do not criticize him for coming before the committee—he made an able argument, but while he was there it might be refreshing to you to know that I read to him a little dispatch that appeared in the paper that day. It reads this way:

Special train of manufacturers from Maine are in Topeka, Kans., to-day, and are going to Oklahoma and Texas boosting their products and seeking to find outlets for their goods. They will be in Ponca City, Okla., Oklahoma City, Fort Worth, Houston, and San Antonio, Tex. They were in Kansas City yesterday.

At the time I read that to the gentleman I told him that unless we got a little help on this oil situation he might as well wire his folks to go back home, because there was no use in going to a billy goat's house for milk; that if those in that section of the country could not get some help they were wasting their time in going down there and trying to sell their products.

The truth of this matter was brought out in the discussion of this bill, and I am going to refer to it. The gentleman from Maine [Mr. BEEDY]—and I have always thought well of Mr. BEEDY, but when he made a speech the other day, a purely partisan speech, I did not think quite so well of him. I think the gentleman from Massachusetts took care of him pretty well. Listen to this. Mr. BEEDY, when Mr. TREADWAY was speaking, said:

I was rather surprised to hear the gentleman from Massachusetts discussing this tax bill as a protective measure. I myself have never been able to object to protection where I thought it was needed, but it did seem to me a most strange procedure for the party in control of this House, which did not dare tackle an item in the tariff bill.

And so forth. Here was Mr. TREADWAY's reply.

Mr. BEEDY. Will not the gentleman finish that, please?

Mr. SANDERS of Texas. I will finish it, but I will say that the gentleman is the only Member of this House who has been unkind enough to say that this was a partisan bill. I will come back and finish that in a minute. I will say this now: That the Ways and Means Committee, composed of 15 Democrats and 10 Republicans, did not act in a partisan way. If any member of that committee will rise up and tell me that there was one partisan vote cast in that committee I will quit speaking now. I defy anybody to do it. Yet Mr. BEEDY, in another place in his speech, said that 15 Democrats could outvote 10 Republicans. Thank God, we have 25 men on that committee who, in framing this bill, have tried to put their country above their party, and it applies to everyone. But I will finish this if the gentleman thinks the Members will not look it up in the RECORD and read it.

Which did not dare tackle an item in the tariff bill, to put itself in the position of making an exception in one instance and giving what is clearly protection to one product and denying others of us the opportunity to have the same protection.

I am glad the gentleman asked me about that. The gentleman says we denied that opportunity to him, but I want to say to him that we did not deny him the right of going

before the committee and advocating a tariff or tax, whatever you want to call it, on pulp. The gentleman from Maine [Mr. NELSON] came before the committee and made his statement, and the gentleman from Maine [Mr. BEEDY] had the same opportunity and the truth is that any Member of Congress or any witness could appear before the committee.

I want to say that as a Democrat I believe in a tariff for revenue. If you can bring out a bill and show me where you can bring revenue into the Treasury of this country, I, as a Democrat who believes in a tariff for revenue, will be glad to support it. If you can present such a bill to me I will vote with you, and I will not be so provincial as to say I will not support you because it is not for my section.

Now, I want to get to the gentleman from Massachusetts [Mr. TREADWAY]. Mr. TREADWAY gave an answer that I had intended to come to later:

Mr. TREADWAY. Let me say two things. In the first place, it was a compromise as to amount. The gentlemen advocating a tax on oil wanted 2 cents. They accepted a compromise of 1 cent.

Mr. BEEDY. But what about the principle?

Mr. TREADWAY. The principle is a principle that I have personally always advocated in this House—that we can not build a wall of protection around New England and not give it to anybody else.

This is the thought of a statesman and a patriot. That is one great trouble we have in the United States to-day. With all due respect to the New England States—and the gentleman from Kansas has mentioned this—they have had protection all around, but they have embodied in their life and in their legislative proceedings a principle of the old fellow who fell down on his knees and said, "O God, have mercy on me and my wife and my son, John, and his wife—on us four and no more."

And I say to you, that the time is coming when the South and the West may form a coalition, and unless all parts of the country are treated equally, you are not going to see the smoke curling up from your factories, but some folks are going to fold up their tents like the Arabs and as silently steal away. That is what is coming in this country and they seem to be distressed. The question has been asked and they can not understand why a committee composed of 15 Democrats and 10 Republicans would bring in what some of them call a protective tariff on oil.

Now, I am going to try to be fair in my discussion. In the first place, this is not a protective tariff, but let us suppose it is. Let us grant that these fellows who came in there and opposed it were right when they said it is a protective tariff on oil. Now, who is it that is doing this? My good friend, Mr. NELSON, and my friend, Mr. BEEDY. All right; can you reconcile a Republican being against a protective tariff? I can not understand that. Right here is the platform; they have been pulling platforms here and I am going to pull the Democratic platform a little later on, but let us get their platform first. Here is their platform for 1928:

We reaffirm our belief in the protective tariff as a fundamental and essential principle of the economic life of this Nation.

If that is a principle, then I say to you that principles are immutable and as unchangeable as God Almighty. If it is a principle, and if it is right here on the floor of this House, then it is right whether it is in a revenue bill or a tariff bill or in any other kind of bill. If it is right to-day here on the Potomac then it is right in any State of the Union, and yet here are two men standing up here against it because it is a protective tariff.

Mrs. ROGERS. Will the gentleman yield?

Mr. SANDERS of Texas. Yes; I yield.

Mrs. ROGERS. Is not this the first time that a tariff has ever been asked on a natural resource?

Mr. SANDERS of Texas. I will be pleased to say to the lady that I do not know whether it is the first time or not, and yet I do know that after Mr. Harding was inaugurated President of the United States the Ways and Means Committee considered a tariff on oil and they put it there, and it was later taken out at the suggestion of the President of the United States.

Mr. ARENTZ and Mr. FINLEY rose.

Mr. ARENTZ. It is well to bear in mind that we have a tariff on manganese, lead, zinc, and on a great number of other natural resources.

Mr. SANDERS of Texas. Surely. That answers the lady's inquiry.

Mr. FINLEY. Does the gentleman know that up until 1913 there was a tariff of 45 cents to 67 cents a ton on soft coal?

Mr. SANDERS of Texas. Yes.

Mr. FINLEY. That was taken off by the Wilson tariff and has not been put back.

Mr. SANDERS of Texas. I am thankful to all of you for helping me to answer the lady's question.

Mr. BEEDY. Will the gentleman yield a moment?

Mr. SANDERS of Texas. Yes.

Mr. BEEDY. I think the gentleman misunderstood my statement. If he will read the brief speech which I made on Friday he will see that I stated clearly that I favored protection wherever it can be shown that it is needed, and I did not say I was against this bill or against this item, but I did object to the fact, as my colleague has so well put it to-day, that one industry got in the back door and got this protection on an internal revenue bill and the rest of us were left out, and I submit that the gentleman from Maine [Mr. NELSON], who has addressed the House, if figures and facts can prove anything has proven that the facts do not justify the action taken by the committee.

Mr. SANDERS of Texas. I believe the gentleman thinks that; but has the gentleman ever read the testimony of Wirt Franklin before the committee?

Mr. BEEDY. No; I have not.

Mr. SANDERS of Texas. The gentleman has not read that. Then the gentleman should inform himself before he begins to discuss this matter. There is another thing I am going to ask the gentleman. If we were considering a tariff bill now, and if this item were in the tariff bill and a motion was made to strike it out, would the gentleman vote to strike it out?

Mr. BEEDY. I certainly would.

Mr. SANDERS of Texas. The gentleman certainly would.

Mr. BEEDY. Because I do not think the facts which have been given here this afternoon, which I believe are unanswerable, would justify a motion to strike it out.

Mr. SANDERS of Texas. I am sure the gentleman thinks that; but there are others who think differently.

Mr. BEEDY. And I respect their opinion.

Mr. SANDERS of Texas. And I respect the gentleman's opinion, but I want to suggest that he read Mr. Franklin's testimony. Now, let us get a little farther along. I want to dismiss that question.

Here is an editorial that appeared in the Boston Transcript of Monday, March 7, 1932, and I want to read a paragraph from this editorial:

A drive for duties on petroleum and its products probably has been halted by the imposition of a tax of 1 cent a gallon on imported gasoline, oil, fuel and crude oil.

Listen:

This is less than the American producers wanted and more than the importers felt they ought to pay, but it is not heavy enough to crush any industry.

My friends, it is not heavy enough to crush any industry; neither will it oppress any American citizens. Now, you talk about conservation, but first I want to give you some figures.

They say it will not produce any revenue. Well, when a man stands up and tells me that the electric lights are not shining above, I can not agree with him. When a man makes a statement to me that is against things I know, I can not agree with him. Now, I am going to ask you why it will not produce any revenue; and I am going to get the Democratic platform out because there are some of my friends over here who are shying around it like a country mule at a town-show tent, for fear they are going to vote for a tariff.

Here are the facts and figures. Listen; anybody can get these figures from the Commerce Reports; and if they can

multiply and add, they can tell whether it will produce any revenue.

Crude petroleum imported into the United States in 1930 amounted to 62,129,419 barrels. They say there are 42 gallons to a barrel. That would make 2,609,435,598 gallons. Now, that was imported into this country, and you can not deny that. It is like Will Rogers when he was asked how old he was and if he was born, and he said, "Yes; I am here." Franklin, in making his argument, advocated 2 cents a gallon. Multiply it by 2, and you will find it produces \$52,188,711.96.

Fuel oil was brought in here the same year amounting to 26,080,383 barrels, which would amount to 1,095,375,986 gallons, and multiplied by 2 cents a gallon, would produce \$21,907,519.72.

Now, of gasoline there was brought in 16,926,800 barrels. That would amount to 710,925,600 gallons, which, at 4 cents a gallon, would be \$28,437,024.

Of lubricating oil there was brought in 24,728 barrels, which would amount to 984,576 gallons. At 4 cents that would amount to \$37,943.04, and the total amount would be \$102,571,198.72.

Mr. NELSON of Maine. As I understand the gentleman, he does not agree with the experts from the Treasury Department?

Mr. SANDERS of Texas. I can answer that yes and no, because they have been on both sides of the creek. I will admit that Mr. Mills stated that it would not produce any revenue. If you are importing something, you can take a lead pencil and state whether it will produce revenue. Now, I have the figures here of the collections under this bill. It will produce something over \$58,000,000. If you will read the testimony before our committee and the evidence submitted on this, you will come to the conclusion, I believe fairly, that it will produce not less than \$40,000,000 of revenue.

Mr. HASTINGS. Will the gentleman give us the total, the aggregate of the sums that he says will be produced by the importations?

Mr. SANDERS of Texas. I have already given it, but I will give it again—\$102,571,198.72.

I want to be fair—you take one-half of that, and you can trim it down, yes, to one-third, and figure it any way, and it will produce a revenue of \$40,000,000.

Now, my friends, I want to say something to you as an American citizen. I do not like to read so much when I am talking. I hope that every Member of Congress will take the time to read the testimony of Wirt Franklin. He is an authority on oil, and I want to read you something he said. You talk of conservation. I say that outside of any revenue it might cost you in New England and up along the Atlantic seaboard, you better pay it. The testimony is that all of the nations that have a monopoly on oil are paying 35 to 38 cents a gallon for gasoline, and just as certain as we are here to-day that monopoly is being fastened on the people of the United States, and unless they get some relief in this bill the independents are going down, because they can not survive. You folks who are paying a little now and objecting to this will be paying a sight more if you do not agree to this. Listen to the plight of the independents. I read now from the Wall Street Journal of Saturday a week ago.

The Barnsdall Corporation, in 1931, lost \$3,268,937, and that is one of the biggest independent oil companies in the United States. From the same paper I notice that the Coast Richfield Oil Co. in 1931 lost \$3,632,913. These are the independents. They can not stand. Let me show you how this trust and monopoly is fastening its fangs on the American people. I read now from page 930 of the testimony:

The dividends of the Standard oil group from 1912 to 1930, inclusive, were \$4,019,929,872. For the last five years they have increased steadily, right through the period of depression, when a considerable portion of the industry was going into bankruptcy, and there have been thousands of them that have been closed out because this help has been so long delayed. To give the dividends of the Standard group only in round figures, in 1926 they were \$200,000,000; in 1927, \$213,000,000; in 1928, \$218,000,000; in 1929, \$269,000,000; and in 1930, \$286,000,000—the biggest dividends in all history, right during this period of distress.

Let me make this statement, and it ought to come close to the heart of every Member of the House and the Senate, because of its vital interest to the people of the United States, on a matter of conservation. This was news to me. I am going to read it to you out of the hearings. It was not disputed, and while I am on that point, let me tell you that one man who came up there and appeared for the big oil companies importing this oil, impoverishing the people of the United States, throwing 300,000 people out of employment, made the statement, when I asked him to put the figures into the RECORD as to how many natives were employed in Venezuela and how many Americans, that he could not tell. When Mr. Flemming was before the committee he said that they employed 1 American down there to 100 natives.

In the United States there are approximately 300,000 wells which produce an average of a barrel and a half a day each by pumping, some of which are, in Pennsylvania, 40 years old; but in the aggregate those wells produce 500,000 barrels a day, day in and day out. As a matter of fact, those wells are the backbone of the petroleum industry in the United States, but because of the low prices for the product during the last three years, thousands of those wells have been abandoned and plugged and lost forever.

Now, let me visualize what that means. On these leases from one to three families live. The head of the family is the pumper, who takes care of these wells and operates them. The machinery is already established there; it has been bought and paid for. The investment in those wells runs into billions of dollars, and the labor employed is enormous. They pump every day, and they must be pumped every day, because practically all of them make some salt water, and if the salt water is not pumped off every day it destroys the wells.

Suppose this legislation fails, and the independents are put out of business, because these people can not survive. According to this testimony the salt water would go into the wells and the United States would lose 500,000 barrels of oil a day. That is a matter of conservation that ought to appeal to the patriotism of everybody in this country, irrespective of taxes or tariff. I read further:

Now, back of those 300,000 wells, the petroleum engineers estimate that there are anywhere from two to four billion barrels of reserves which would be produced over the next 30 or 35 years by the steady process of pumping these wells, giving employment to thousands of men supporting thousands of families on these leases, and if the wells are abandoned, as they must be eventually unless this condition is remedied, we have lost forever all that employment for these American citizens, and we have lost those reserves of from two to four billion barrels of oil, because after being abandoned, you could never afford to drill new wells for that sized wells and equip them with pump power, engines, and so forth, and operate them.

Mr. HOCH. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Texas. Yes.

Mr. HOCH. From the conservation standpoint I am sure the gentleman is absolutely right with reference to thousands of wells in the part of the country that I represent. Those small wells will produce a small amount of oil, and if they are not pumped the salt water will get into them and you will not only lose the wells but the field goes. The expense of exploring the field has been taken out in the flush production, and no one is going in to drill wells in a field where the wells will produce so small an amount as many of those wells produce to-day, and those millions of barrels of oil which will be saved if we keep on pumping will be lost if the owners are compelled to shut down.

Mr. SANDERS of Texas. The gentleman is correct. They are not only lost, but they are lost forever, and the United States is deprived of their value.

Mr. NELSON of Maine. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Texas. Yes.

Mr. NELSON of Maine. Did the gentleman read the hearings and the testimony of the Acting Director of the Bureau of Mines on the oil tariff before the Commerce Committee of the Senate, when he stated that oftentimes these wells yielded more than they did before they shut them down?

Mr. SANDERS of Texas. No. I did not read that testimony. Does the gentleman mean after they shut them down?

Mr. NELSON of Maine. Yes.

Mr. SANDERS of Texas. As the gentleman from Kansas said, nobody is going in and go to the expense of drilling again, so it means it is lost forever.

Mr. HASTINGS. Will the gentleman permit me in his time to say that of the 330,000 oil wells in the United States, 300,000 of them produce on an average only 4.7 barrels?

Mr. NELSON of Maine. Will the gentleman yield?

Mr. SANDERS of Texas. I yield.

Mr. NELSON of Maine. Does the gentleman from Oklahoma [Mr. HASTINGS] think the American public ought to be charged for a barrel of oil, the average cost of which is this high cost which the gentleman mentioned, where they only pump a barrel and a half a day, when there are wells in the gentleman's section which gush thousands of barrels a day, and where down in east Texas they can produce more by a hundred thousand barrels than the 300,000 wells combined?

Mr. HASTINGS. The gentleman is addressing his question to me. As long as those wells are already drilled and as long as they are connected with pumps, with many wells on one pump, they can continue to pump, but once stopped, they can never be reopened.

Mr. NELSON of Maine. Is it not true that they are the most inefficient and highest cost wells in the country?

Mr. HASTINGS. Oh, no. Oil was selling at \$1.45 three years ago and it ran down to 10 or 15 cents last August.

Mr. SANDERS of Texas. Mr. Chairman, I am afraid I can not yield further. My time is running on. I want to call attention to another man who testified before the committee. Many Members get up here and talk about the Ways and Means Committee like they were a set of pickpockets. There is a drainage bill pending; there is the soldiers' bonus bill, and we are going to pay somebody else something. How are we going to get along if we do not vote to put some money in the Treasury? We can not get along by just paying out and not collecting anything.

Now, I want to call attention to another man who testified, representing the American Federation of Labor. This oil problem embraces the destinies of over 22,000,000 who are directly interested in it. It is the third largest industry of the world, and you can not cripple it. You can not give it the "cold shoulder" any further in the Congress of the United States without hurting your country. I say this irrespective of the tariff tax, or whatever you call it.

This man is Mr. Harvey P. Fremming, who represents the American Federation of Labor, the American Wage Earners' Protective Association, the Brotherhood of Signalmen, the Brotherhood of Maintenance of Way, the Brotherhood of Firemen and Enginemen, the Brotherhood of Engineers, the Order of Railway Conductors, the Brotherhood of Railroad Trainmen. It might be that you would like to look up his testimony, which begins at page 1123 of the hearings.

[Here the gavel fell.]

Mr. HILL of Washington. Mr. Chairman, I yield to the gentleman from Texas five additional minutes.

Mr. SANDERS of Texas. In the first place he goes on to say there are approximately 350,000 people out of employment on account of the distressed condition in the petroleum industry at this time. He is the man that I asked how they were paying down in Venezuela and other places, where they claimed they were employing American labor. This is the man who testified that they employ 1 American to 100 natives.

I have here a telegram which I would like you to listen to. This is dated February 3, 1932:

Drilling operations, South America: Driller, American, \$300 a month; all others are natives. Cap-head man, \$2.58 per day. Derrick man, \$2.24. Floor men, \$1.53. Production department: 1 American to practically 100 natives. Head well driller, \$3.40 a day; all others, including pumpers, \$1.53 a day. Refinery department same as production. Rig builder, \$3.40 a day down to \$1.53. All native figures quoted in American money. Information obtained from superintendent just returned from South America.

J. C. COULTER.

Another thing I want to mention. They say this is a protective tariff. At least the Republicans say that. If it is,

they should be for it in all good conscience. I want to say that now of all times in the history of this Government men ought not to make partisan speeches on the floor of this House. [Applause.]

I was not a Member of Congress during the World War, but it was one of the glories of that time, as I have always understood, that Democrats and Republicans alike stood up for their country. "Peace hath her victories, no less renowned than those of war." Certainly as we are here, we are facing a crisis that is comparable to the World War, if not worse. No; we should not have any partisan speeches, but, according to the testimony and figures given by the Commerce Department, the people in Venezuela and other South American countries and other places can produce oil and place it any place on the Atlantic seaboard for \$1.03 a barrel cheaper than you can take it from any field in the United States and put it in the same place. They gave out two sets of figures. In the first set they said the difference was \$1.19. In the second set they said the difference was \$1.03. All right. If you put 1 cent a gallon on fuel oil, it means 42 cents a barrel. I want to ask you then how that is an embargo. When they have \$1.03 advantage, paying a tax of 42 cents, which it would amount to on a barrel, and subtracting that from the \$1.03 leaves 61 cents. You can see just how much advantage the foreigner has over the United States.

Assaults upon the excise tax upon foreign oil and foreign gasoline have been so exaggerated and so utterly unfounded that they would not merit any serious reply if it were not for the danger that some may actually credit the baseless figure offered. For instance, one gentleman in a formal statement charged that these proposed oil taxes would cost the people of New England \$100,000,000. He probably relied upon the interested propaganda of the enemies of the American petroleum industry and did not analyze the available data, thus adding one more to the number of those who have been deliberately misled on a question of national importance. If this absurd claim were true, it would mean that levying a 1-cent tax per gallon on crude oil would cause New England to pay an increased cost of \$33.33 on each 42-gallon barrel of crude oil which it consumes. According to the United States Bureau of Mines, New England in 1930 used 20,618,218 barrels of fuel oil. Only 15 per cent of this was foreign oil. That means that New England used just 3,000,000 barrels of foreign fuel oil in the latest year reported by the Bureau of Mines.

Therefore, if New England is going to have an increased cost of \$100,000,000 because of this levy of 1 cent per gallon on foreign fuel oil, of which she uses only 3,000,000 barrels per year, each barrel would carry an increased charge of \$33.33. Even if all the 20,618,218 barrels of fuel oil used by New England in 1930 paid the excise tax of 42 cents—which is palpably impossible—the increased cost to New England would still be \$90,000,000 less than the pure fiction figure given by the enemies of the American petroleum industry and accepted as fact by the misguided gentleman who made it public.

This is just a sample of the sort of arguments which the foreign oil importers are shrewdly scattering over the country in the hope of preventing the passage of this provision in the revenue bill.

It is curious that New England has apparently assumed the rôle of leadership in the fight against the foreign oil tax. New England is a comparatively small user of fuel oil. The six States comprising this section of the country use only 5.35 per cent of the total consumption of fuel oil in the Nation.

The Pacific coast consumes 27.28 per cent. The south-central section consumes 22.87 per cent. These sections of the country are almost a unit in supporting the excise tax on foreign oil. All together they use more than one-half of the total consumption of the Nation. New England, with a little over 5 per cent of this consumption, is protesting with a vigor whose justification is hard to find. Only the Rocky Mountain States, using 1.31 per cent, and the South Atlantic

section, using 2.70 per cent of the national total, rank below New England in the list of the fuel-oil consumption. These two sections are not manufacturing sections; hence, their low consumption totals.

The New England protest seems to be based very largely upon the strange assumption that New England factories are practically the sole consumers of fuel oil in that section. They ignore the fact that factories come rather far down in the list of fuel-oil users. Among the principal consumers of fuel oil are the railroads of the country, which in 1930 used 67,900,035 barrels. Incidentally the railroads generally are most ardently in favor of this legislation. They are taking no active part in the fight, since most railroad heads realize the inexpediency of railroads entering political contests to-day.

The general prostration of American business, which had as one of its causes the comparative ruin of the American petroleum industry and the loss of the purchasing power of many of the 22,000,000 persons resident in the oil-producing States, seriously affected the railroads by wiping out a tremendous amount of its most profitable freight movement. The railroads of the Nation use over three times as much fuel oil as all of New England, even if we do include in the New England figures the amounts used by the railroads in that section and by others who are utterly unrelated to the manufacturers and industries who are opposing this measure. The Army and Navy use millions of barrels of fuel oil yearly. Oil companies themselves use 53,436,945 barrels of fuel oil per year, or two and one-half times as much as all New England, including New England's railroads and the Army and Navy bases in New England used in that year.

Evidence has been presented repeatedly to the House as well as to the Ways and Means Committee that very large sums of revenue may be raised by an excise tax on foreign oil and foreign gasoline without any necessary increase in price to the consumer and without constituting any embargo on foreign oil or even causing any decreased shipments merely because of this very slight levy. The arguments offered against the measure when analyzed are a great deal like that one to which I referred in the beginning in which the preposterous claim is made that a tax of 42 cents per barrel on fuel oil would make the New England consumer pay an additional \$33.33 for that same barrel.

Such arguments belong in the realm of pure imagination. They can not be reached by plain, cold facts. Brought into contact with the chill atmosphere of official statistics they curl up and die. Unfortunately, the interested opponents of this tax, the importers of foreign oil, are unusually fertile and as rapidly as their swollen statistics are exploded they produce new ones equally exaggerated and equally difficult to treat on the serious plane of calm discussion. Without any personalities and without intending any reflections upon anyone and especially not upon those who are the innocent victims of a shrewd propaganda, may I be permitted the hackneyed quotation, "Figures won't lie, but liars can figure"?

Prosperity is not around the corner, but on the threshold if the movement of the stock market reported by the Wall Street Journal is any criterion. The action of the House Ways and Means Committee, including in the new revenue bill an excise tax on fuel oil is quite justified by the effect this has had upon securities, even though the measure has not yet been brought to a vote in Congress.

The traffic jam which has held all business at a standstill seems ready to be broken if this upward movement of oil stocks has any significance, which it surely must have.

The proposed excise tax is sufficiently low to not exclude foreign oil upon which it will constitute a very inconsiderable levy, but on the other hand it does afford encouragement to the prostrate American petroleum industry and promise better times. From the revenue standpoint this tax is one of the wisest we have suggested since even in the unlikely event that the importation of foreign oil should be decreased, because of this very light tax, both Federal

and State Governments will receive compensatory revenues from the revival of the American industry and the renewed employment of armies of oil workers now idle.

The statements of the Wall Street Journal on this very timely stock movement are worth quoting. In a special article in the issue of Wednesday, March 9, they remark:

Oil securities in Tuesday's trading reflected the better sentiment which has lately developed toward this group. One reason advanced for the more optimistic attitude, beyond the continued control over crude oil output and a better tendency in refining activities, is the proposed excise tax of 1 cent a gallon on imported oils, which has been approved by the House Ways and Means Committee. A considerable portion of the industry looks for final adoption of the impost, which they believe will have a beneficial effect, at least, temporarily.

While in their feature entitled, "Abreast of the Market," they call attention to the fact that "oils were active and strong on expectations of enactment of a 1-cent levy a gallon on imported crude, gasoline, and fuel oil."

Tax bills rarely promote prosperity, but at least one portion of this new revenue bill, the excise oil tax, seems certain to surpass the most sanguine expectations in producing much-needed revenue for the Federal Government and at the same time stimulating a basic industry whose downfall was intimately related to the current depression, since even the intimation of governmental favor starts a bull movement in the stock market. This confirms the statements made at the Ways and Means Committee hearings that the oil industry would lead in the return of prosperity whenever that happened.

This excise tax is not a tariff or embargo. It is a tariff for revenue, and it will bring a large amount of revenue into this Government if we give it a chance.

Mr. Chairman, my time is up, and I want to thank the committee for its indulgence. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois [Mr. PARSONS]. [Applause.]

Mr. PARSONS. Mr. Chairman, it is rather embarrassing, in a way, for me to rise to speak in opposition to the manufacturers' tax contained in this bill, but I would not be consistent with my feelings and belief if I did not take advantage of the opportunity to-day to make some observations concerning the so-called sales tax.

The grizzly haired veteran from Illinois [Mr. RAINEY], who is a veteran of a thousand battles on the floor of this House and who is a member of the committee, has gone through these fights unscathed and undimmed for 30 years, almost a third of a century, until this hour.

It is not pleasant to oppose the acting chairman of the committee, the gentleman from Georgia, who is following so well in the footsteps of his illustrious father, but there do come times when we can differ among ourselves and yet show that love and respect which should grace us on occasions like these. What I shall say this afternoon will not be any personal criticism of the members of the committee.

I have listened with a great deal of interest to the discussion on oil. While I doubt the wisdom of placing a tariff bill in this particular revenue act, I for one am willing to support the gentlemen in their contention for a tariff on oil.

I happen to be one of those who believe in the old fundamental principle of a tariff to equalize the cost of production at home and abroad. It is very apparent that the oil industry needs some protection at this time.

Whose "baby" is this part of the revenue bill known as the sales tax? I have asked that question a number of times. Has it been proposed by the President of the United States? Has it been proposed by the Secretary of the Treasury? Has it been proposed by the Democratic Party? I have asked in vain. I have failed to get an answer. If any gentlemen on that side of the aisle can speak for the powers that be, I will yield time now for them to tell me where they stand upon this proposition.

No farther back than 1924 the Democratic Party went on record as opposed to a sales tax, but I remember that last fall the then Secretary of the Treasury announced that we should have a general tax upon every product, so that when the American people paid it they would become tax conscious and understand they were paying a tax to support

their Government. I want to say to you this afternoon that the people of America are already tax conscious. The local and city taxes, the road taxes, the school taxes, the State taxes, the county taxes, and the tariff tax which they are paying in tribute to the protected industries of this country, which in the past 12 years have increased more than 300 per cent, have made the American people tax conscious. We do not need this sales tax to bring the people to a realization that they are paying taxes. Let us hope that Mr. Mellon, when he appears before the Court of St. James, will remind Johnnie Bull to become tax conscious and pay us the \$159,000,000 England owes us. It will help to balance the Budget.

The big cry on this proposition is to balance the Budget. In the years of 1918 and 1919 the Federal Government expended \$32,743,000,000. In those same two years we had revenues of \$8,834,000,000. There was a deficit for those two years of \$23,909,000,000. How did we balance the Budget then? By the issuance of bonds—Liberty bonds bearing from 3½ to 4½ per cent, and most of them were floated on the basis of 3½ and 4 per cent. Are our people less patriotic to-day than they were in 1918 and 1919?

But how are we balancing the Budget now? On June 30 of last year we had a deficit of \$903,000,000. There is supposed to be a deficit on June 30, 1932, of \$2,123,000,000; and how are we balancing the Budget? By issuing bonds, of course. If we can float \$3,000,000,000 now to balance the Budget for this year, who will say that the little sum of \$600,000,000 can not be floated July 1, 1933?

On June 30, 1919, our debt was \$25,482,000,000. To-day it is about \$17,000,000,000. If we balance the Budget with the flotation of bonds, as I have indicated here, our public debt on June 30, 1933, will be \$4,856,000,000 less than it was in 1919.

Where is the patriotism of our financiers? If Government bonds were good securities in 1919; if they were good securities in 1929; if they are good securities now, when we are floating bonds to balance the Budget, why will they not be good securities on June 30, 1933?

It was brought out on the floor of the House here last week that the Secretary of the Treasury made a trip to New York and came back and reported that there would be no bonds offered for sale until the buyers knew whether or not this tax bill had some opportunity of passing. This, my friends, is an absolute threat to the Government of the United States. It is a threat to the Congress of the United States to say, "We will not buy the bonds unless you pass this tax bill."

The gentleman from Alabama [Mr. HUDDLESTON] in a very eloquent appeal the other day talked about the farmers' group, about the oil group, and about the veterans' group. My friends, back in 1917-18, when the call went out to mobilize the greatest Army that America had ever assembled, almost 5,000,000 in number, if 1,000 of those boys—yea, if a single one of them had offered any resistance to the call that went out, he would have been summoned before a court martial and sentenced to death; and here in the year 1932, with a little deficit threatened of only \$600,000,000, we have the spectacle of the money interests of this country hanging a threat over the heads of the Members of Congress and over the heads of the American people to fasten upon them an iniquitous sales tax in order to make up a deficit on account of funds that they, the moneyed interests, have borrowed out of the Treasury of the United States.

Where were the proponents of this measure when the moratorium was under discussion here back in December? This was a nice little sum of \$252,000,000, or a little more than one-third the amount of the deficit. I remember when it was brought in here with a united effort on both sides of this aisle, without very much time for debate, telling us that we must pass it and rush it along, because the time was soon up when these nations would otherwise default and that we must give them another year, and what is 1 year means 2 years and perhaps 3 years or 5 years or 10 years in the payment of their debt. The same forces come in here now

and undertake to saddle the \$252,000,000 this year and \$252,000,000 next year upon the backs of the farmers and the laboring classes of this country in the form of a manufacturers' tax.

This is the most un-American tax that has ever been proposed by the Ways and Means Committee.

Where were the great industrialists and the great financiers when we had under discussion the Reconstruction Finance Corporation bill? It provided an immediate appropriation of \$500,000,000, with power to float a billion and a half dollars in bonds, direct obligations of the Federal Government, whose life is to be one year, and may be extended by the President for two years, every dollar of which, if it is to be used at all, must be used in the next two years. Where were the proponents of this measure then? Not a word was said about balancing the Budget.

The Federal land bank bill carried an appropriation of \$125,000,000, \$100,000,000 of which was for the bondholders and the other \$25,000,000 to pay the costs on land suits that had already been begun, to be later charged to the farmers' installments, and to this very hour not one dime of that has gone out to the farmers in any reserve district in this country.

Talk about balancing the Budget. Why did we not talk about balancing it then? We have appropriated more than \$1,000,000,000 without having said one word about balancing the Budget until now; and now we propose to come in here and raise \$600,000,000, the principal part of which will be paid by those that earn less than \$1,500 a year.

The gentleman from Alabama made reference the other day to the demagogue club. You know, some people believe that if you vote for a high, prohibitive tariff, if you vote bounties and subsidies to the great manufacturing interests, to the railroads, to the insurance companies, or to the banking interests, or if you make loans out of the Public Treasury for these beneficent institutions, it is great statesmanship; but if you rise in your place and undertake to defend the people whom you represent, you are called a demagogue.

My friends, if it is demagogy to stand up for the rights of the people you serve, if to stand up for the farming interests and for the labor interests—if that is demagogy, I am pleased to be placed in that class. [Applause.]

Now, let us see something about our taxes. We have an excise tax placed upon luxuries. They are exempt under this proposition from any further taxation, and I think that may be right. We have a tariff tax, which is nothing but a sales tax in principle, which is always passed on to the consumer.

If the tax is not too high, and it permits imports, the Government gets the revenue. If the tax is too high, and it shuts the door to the importer, the Government loses the revenue and the manufacturer gets the tariff tax, but nevertheless the consumer pays it.

We have an income tax as the one great source of revenue. Here is the principle of the income tax: It proposes to place upon those, not so much those who are able to pay, but it places the tax upon those who receive the greatest amount of protection from the Government, and are taxed in proportion to the protection which the Government gives them.

The rates are to be raised in this bill to bring in about \$225,000,000 additional revenue.

They come here with the report that 40 per cent is about as high as you can go in income and surtax rates, because if you go higher it will drive business out, and people will not undertake to accumulate the funds whereby they may have a profit out of which to pay an income tax.

I rather think that after all 40 per cent is about all they feel they can pass on to the consumer, and if you raise the tax any higher it will come out of their profit and not out of the consumer.

Of course, those who are on a salary have to pay the tax, for there is no way to pass it on. Those engaged in business, however, those who own stock in corporations, out of which their private incomes are realized, gage the

prices to produce the revenue, and those taxes are passed on to the consumer wherever possible.

I repeat again, that the proposed 40 per cent is about as much as they can pass on to the consumer, and therefore they do not like to have the rate raised any higher. I would go at least to 60 per cent in the higher brackets, where the rates were during the war.

The sales tax, or manufacturers' tax, is the opposite of an income tax. It proposes, in principle, to tax those, not in proportion to the protection that the Government gives them, but it proposes to tax them in proportion to the protection that they give the Government. That is the difference between an income tax and a manufacturers' tax. [Applause.]

The sections in this bill exclusive of the sales tax propose to balance the Budget, with the exception of about \$600,000,000. In 1930 there were 6,152 people who had an income of \$100,000 or more with total earnings amounting to \$1,556,000,000. If they spent all of their earnings upon which the sales tax is levied, they would contribute to the sales tax about \$35,000,000. To go further, in 1929 there were 736,357 persons who had an income of \$5,000 or more and whose total earnings were \$10,198,000,000. If they spent all their earnings, their tax would amount to \$229,455,000. If they did not spend but one-fourth of their income, about the average amount for living expenses, this group would contribute about \$57,000,000, and that is only one-tenth of the amount proposed to be raised. That leaves nine-tenths of the taxes to be raised on other people with earnings less than \$5,000.

In other words, one-tenth of this tax is to be raised out of the \$10,000,000,000 of those earning the highest salaries and the other nine-tenths is to be paid by those whose salaries range less than \$5,000 a year, and most of them in the \$1,200 class. Let us see how this tax works. It proposes to levy 2¼ per cent. The manufacturer, in sending his invoice, including his profit, for \$100 worth of goods, will add on the bill \$2.25. The wholesaler, receiving an invoice for \$102.25, will invoice to his jobber after adding 15 per cent profit to the amount of \$117.59. He in turn invoices it to the retailer with 15 per cent profit added, at \$135.25, and the retailer, who sells to the consumer, will add a profit of 30 per cent, so that the total retail price will be \$175.80.

Without the pyramiding of the tax, the consumer's price on that invoice would be \$171.92. The tax of the consumer, then, instead of being 2¼ per cent is 3.88 per cent. In other words, the tax will range from 2¼ per cent to 10 per cent, depending upon the percentages of profits. But to break it up and bring it down to the items sold in the grocery and drug and other stores, an item which sells for 5 cents will have added to it by the retailer, to provide for the 2¼ per cent tax, 1 cent making the price of the article 6 cents. That makes the consumer pay tax at the rate of 20 per cent. If the article sells for 18 cents, the retailer will say that he has a tax to pay, and instead of adding 1 cent, he will make it even money and charge 20 cents. In that case the consumer will pay a tax of 11 per cent.

I want now to read a few extracts as to how the industries and the consumers feel this will affect them. Speaking of the sales tax one man said:

It will slow down business, and if they attempt to make the manufacturers pay this tax, they will find it the finest weapon they could have selected to kill all business and to bring this panic to a complete success in the cessation of every line of industry or endeavor.

Another one says in this morning's mail:

The proposed manufacturers' tax will prove to be not economic medicine but economic deadly poison.

Another says, and this is from the producers' packing industry:

Therefore, it becomes apparent that unless lard, sausage, cooked meats, and canned meats are exempt from the proposed tax, the growers of hogs of this country will receive approximately \$10,000,000 less for their hogs and cattle than they would if the foregoing products were exempted.

There you have it. With a tax to be raised of \$600,000,000, two-thirds of the total amount will be deducted from the producer, from the farmer, from the orchards, from the cotton grower, and all the rest, which will average \$400,000,000. Therefore the total tax extracted, instead of being \$600,000,000, will be a cold billion dollars. When you add to that the excess profits which the retailer will add because of the manufacturers' tax, the consuming public in America will pay about \$1,800,000,000. While the Government gets \$600,000,000, the other \$1,200,000,000 will go to the retailer, the jobber, and the wholesaler through the reduction on price of raw materials and excess profits on retail sales.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. PARSONS. Yes.

Mr. FIESINGER. As I understand it, at the end of the fiscal year 1933 there will be a deficit of about \$3,500,000,000?

Mr. PARSONS. That is including all of last year and this year.

Mr. FIESINGER. As I understand, up to and including the fiscal year 1930 the Government paid off some \$3,496,579,492 under the act passed in 1923 to provide for a sinking fund.

Mr. PARSONS. Yes; those are funded from time to time.

Mr. FIESINGER. Every year so much is paid off on those bonds.

Mr. PARSONS. Yes.

Mr. FIESINGER. As I understand the gentleman, if we take into consideration the payments of bonds provided for by the act of 1923 and did not provide the sum to be raised by the sales tax, the Government would not be behind at the end of the fiscal year 1933 in our debt-payment requirements of the act of 1923.

Mr. PARSONS. If the gentleman will pardon me, I can not yield further, as my time is limited. In order to bring this down to how it operates upon the farmer and upon the laboring man, let us take a concrete case and see how the tax will apply, and if it is once adopted, as has been prophesied here on the floor of the House, I think we will never get rid of it. Let us say that two children in the same community discover America. Their names are John and Susan. At the time of that discovery they are wrapped in swaddling clothes that are taxed with a sales tax. A few weeks of age, when the father has to carry them across the floor in the colicky hours of their growth, we find there is a tax upon the paragoric that is administered to them. They grow up and go to school, where they sit at desks that are taxed, and their pens and pencils and ink and paper are taxed. The only thing not taxed in that schoolroom is the bare textbooks. If in the library there are placed books for the perusal of those children, and if in the hours in the evening they seek, by the side of their fathers and mothers, to find out something about the outside world, they are still taxed if they purchase one of those books. Their shoes and their stockings, their buckets and dinner pails—every item they use and wear is taxed. When they sit down to eat at the table at night, every item of food that is sold in air-tight containers or in canned form is taxed.

They go on through childhood and grow up, and John and Susan decide to get married. After the marriage ceremony they decide to build a home, and on the lumber that goes into the house every stick is taxed. The nails are taxed. All the carpenter tools and instruments are taxed. The paint that goes on the outside of this structure is taxed. When they begin to furnish the house, the beds and bedding, the dressers and bureaus, glasses, chairs, tables, cabinets, stove, dishes, everything, including the kitchen utensils, are all taxed. But John and Susan work hard and pay the tax and get along. John goes out to farm. On all the harness he buys he must pay a tax. Every piece of farm machinery is taxed—the binder, the mower, the hayrake, the harrow, the cultivator.

So it goes on, year after year, year after year, according to the prophecy that has been made here that the sales tax has come to stay. Toiling, rejoicing, sorrowing, "Onward through life John goes, each morning sees some task

begun, each evening sees it close; something attempted, something done, he has earned a night's repose," until at last he is gathered to his Father. The embalmer is called, and with taxed instruments he forces the taxed embalming fluid into his veins. The mother and children go down to select some of the things to put John away, and upon every stitch of clothing, upon the casket, and even upon the flowers that are furnished for the funeral a tax is paid.

The next morning, having placed John in his casket, bedecked with taxed flowers, they place him in a taxed hearse, and he starts on his last journey to the little church in the wildwood and there, on a taxed instrument, they play soft music, while the procession files into the church house. Thank God, on the things inside of the church, with the exception of the instrument, there is no tax.

And while the pastor waxes warm on the good deeds John has done and the good life he has lived, they are busy in the cemetery, with taxed pick and shovel and spade, preparing the grave for John. He is carried there and laid in his last resting place.

A few months later a taxed monument is raised to his memory, and on it is inscribed these lines:

Born on this earth was one John Brown; his lot, like ours, was up and down.

In duties he was never lax; his bane in life was heavy tax, From swaddling clothes of babes in arms to all that goes to make life's charms.

Awake, asleep, 'twas always here, it kept him in a constant fear And followed him throughout life's path; and this his choice of epitaph:

"He was taxed on boots, was taxed on shoes, was taxed on suits and taxed on booze, Was taxed on socks, was taxed on hose, was taxed on everything that grows.

A tax attacked him when he was born, attacked him till he felt forlorn.

If they increase, as in this bill, it won't be long until they will Impose a tax on growing corn and on the toots of Gabriel's horn."

[Applause.]

And the proponents of this bill exclaim great is the sales tax.

Yes; I am willing to balance the Budget. The Budget estimates submitted by the Bureau of the Budget have been slashed \$114,000,000. If the country is in such dire condition, let the President through his Budget Bureau, recommend further reductions. This he should have done last December. If the President is sincere in his desire for economy, if the leaders of both parties are sincere in their effort to effect economy, let them prove it by the recommendations which they make to the House. I, for one, am willing to slash appropriations to the bone; slash salaries and effect a balance of the Budget through that avenue rather than the levy of a sales tax. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, it has been stated several times that it requires no nerve to vote for an appropriation and against a tax bill. That argument is entirely unfair. It is a demagogic argument and is generally used when there is lack of good sound arguments. I do not approve of it. I realize that it is not considered good business for the Government to spend more money than it raises in revenue, but these are abnormal times, and, of necessity, a great many of the principles of good business are not applicable.

The gentleman from Indiana [Mr. WOOD] on several occasions on the floor of this House has stated that the crisis we are facing to-day is comparable with the period of the World War; that it is more of a crisis than we were in during the World War. I heartily agree with him as to this. But we found this to be the case during the World War: There was an abundance of purchasing power in the country. There was a market for all agricultural as well as all manufactured products. To-day the purchasing power of our people is at a low ebb. There is practically no market for either agricultural or for manufactured products. To further reduce that purchasing power to the extent of \$600,000,000, as proposed by the Committee on Ways and

Means in this revenue bill, by imposing a manufacturers' excise tax, which is a sales tax in disguise, at this time is not only folly, but it would do nothing more than aggravate the present deplorable condition.

Now, what are the causes of present conditions?

Are they brought about because our people are not as optimistic as they should be and do not see prosperity right around the corner? Is it because occasionally we have not balanced our budgets? Is it because we have hoarded money? No, gentlemen; those are not the causes, although they may have been contributing causes. The real, basic cause is that our people to-day do not have purchasing power. They have not even the ability to buy the barest necessities of life.

And how was this brought about? When the war began the first people to feel the rise in commodity prices—and I am not talking about those people who were fortunate enough to be able to manufacture munitions of war, because that is extraordinary; they were saved the one big item in putting a product upon the market, namely, the advertising and sale of that article to the public, so that is abnormal—but the people who first profited by reason of the rise in commodity prices were the people in the agricultural districts. The first season they made very substantial profits without any material increase in their overhead. Then after that, being thrifty people and because the Government encouraged and demanded that they produce to capacity, these people put more acres under cultivation. They improved their buildings; they improved their machinery, and they did produce to capacity. In order to do this a great many of them were compelled to go to the banks and borrow the money with which to make the necessary improvements. They produced during the period of the war and they showed a real profit during that period. Then all of a sudden the war was over and the first people to feel the drop in commodity prices were the same people in the agricultural districts, and they were the first people to feel deflation. Things went on for a year or two and then their mortgages became due at the banks. A great many of them could not meet their payments. In 1921 and 1922 the farming industry went into a slump. Farming has been paralyzed ever since that time and farmers have had no purchasing power to speak of.

In the industrial centers we find there was prosperity during the period of the war. Even though commodity prices did rise, there was an abundance of work for all people, and following the war that prosperity continued by reason of construction that was deferred during the period of the war. Speculation was rife. The ball was rolling. Then when construction got back to normal and business began to fall off, people all over the country were brought to a realization of the fact that agriculture had been without purchasing power since 1922. So we find ourselves in this terrible depression, brought about mainly because of that fact.

There are other causes which have aggravated it—monopolistic control, to a large extent, of the production and distribution of a great many of the things we have come to deem the necessities of life.

To further reduce our national purchasing power now, is folly, gentlemen. In this bill it is proposed to levy a manufacturers' excise tax to the extent of \$600,000,000. Now, gentlemen, the tax is going to amount to a great deal more than \$600,000,000 before it is paid by the consumer. That has been our experience with taxes of this kind. In the highly competitive fields you will find that the tax is going to be absorbed by the producer who now receives very little for his product. In the fields that are not highly competitive it is going to be passed on not only to the consumer but also to the producer, and, in reality, instead of reducing our national purchasing power to the extent of \$600,000,000, gentlemen, I believe it would be conservative to say it will reduce the purchasing power of our people to the extent of at least \$1,000,000,000.

I am heartily in favor of that feature of the bill which raises the taxes on incomes. I would be in favor of raising those taxes more than you have raised them in the brackets of \$10,000 and above, because I believe that is sound in

theory; it is basically sound, because if an individual or a corporation has the ability to show a considerable profit, then, gentlemen, that individual or that corporation is able and should be willing to pay the tax. Those individuals and corporations which do not make a profit are not able to pay and do not have to pay a tax.

Where is the demand for this sales tax to balance the Budget, gentlemen? Does the demand come from the farmers who at the present time are practically without purchasing power and who in many cases can not even pay their taxes? Does it come from the laboring man, millions of whom are now working on part time and can not even buy the necessities of life? Or does it come from the 8,000,000 men who are out of work walking the streets to-day? I would like to know who is demanding that we balance the Budget at the expense of the farmer and the workingman.

Balancing the Budget did not seem to mean a great deal, gentlemen, when we were talking in terms of moratoriums and when we were talking in terms of the Reconstruction Finance Corporation. You did not talk about the saturation of the bond market when you authorized the issuance of \$1,500,000,000 worth of debenture bonds under the Reconstruction Finance Corporation.

We say that we are now facing a crisis similar to that of the World War, but at the time of the war there was no cry of the necessity for balancing the Budget. At that time there was no objection to issuing bonds to meet the crisis. There was no cry to balance the Budget during the last session of Congress, when the Treasury showed a deficit of \$903,000,000. Now, suddenly, there is the cry that we must make up this deficit, which has been accumulating over a number of years, by a program of exorbitant taxes in just one year, and to make matters worse the bill is to be paid by those who are least able to pay. It is to be taken out of the purchasing power of the farmer and the workingman.

I say to you, gentlemen, that I am in favor of striking out of this bill such obnoxious proposals as the sales tax disguised as a manufacturers' tax. I favor striking out the tax on theater admission of 50 cents or less and I favor striking out the tax on such food products as will reduce the price paid to the farmer who produces such products.

I believe that the deficit should be made up by a program of moderate taxation over a period of years, such program to include an increase in the tax to be paid on incomes of \$10,000 and over. I favor the issuance of Government bonds to cover such immediate needs as the Government may have.

Such measures will preserve our national purchasing power at this time; we dare not further decrease our national purchasing power by the amount which is called for in this bill. [Applause.]

Mr. HILL of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Chairman, I have asked for a few minutes during the consideration of this bill to make what I conceive to be a few essential observations on certain changes that in my judgment will benefit the proposed legislation. I am not going to undertake at this time to pay my respects to the committee that has had this bill under consideration, because that has already been done. Every one of us knows the work, the effort and the consideration necessary for this line of legislation, and the labor that is incident to its preparation; but, my friends, tax legislation is always a burden.

As has already been stated on the floor, and I join in the sentiment, none of us has any great pleasure in voting for tax bills. I am guilty, perhaps like many other Members of this House in the years that I have served here, in voting appropriations for one object or another; but we must not forget the fact that when we rise here in our seats and vote for appropriations, it is only natural that we must at some place find the money to put in the other end of the barrel. This is a condition that has brought about the situation here at this time.

The Treasury is running with a deficit; and as Members of this House—certainly as I see it and as I appreciate the duties of my job—we have got to have the courage and the

manhood to stand up here and take care, first, of the Government of the United States, which every one of us has sworn to uphold.

My friends, with this in mind, and with a solemn obligation, as I see it, on the part of the membership of this House, I am prompted to stand up and support this bill at this time; but there are a number of provisions in the bill which I think can be improved.

First, there are the exempt articles under section 602.

This section refers, generally, to various articles of the farm. You will find here farm, garden products, fertilizer, and such grades of articles as are used chiefly for fertilizers, garden and field seeds, bran and shorts, and various other things. In subsection 5 of this section you will find where meat, fish, poultry, fresh, dried, frozen, chilled, salted, or in brine; and in subsection 6 you will find where bacon, hams, pig shoulders, and pig jowls, and so forth, are all exempt if they are not in air-tight containers.

Gentlemen, my conviction is that in this bill every line and every kind of food product ought to be exempt, without any exception whatever. [Applause.] It does not make any difference to me whether it is raised on the farm, or whether it is a dairy product, or whether it comes out of the sea, or whether it is grown in the air, if it is a food product it ought to be exempt under this bill.

In subsection 6, we have bacon, hams, and pig shoulders exempt, whereas canned foods are not exempt.

By nature alone, nature has given us advantages whereby we can take a ham, for instance, and smoke it and throw it in a sack and that ham will be preserved for an indefinite time. Unfortunately, this is not true of a tomato or an oyster or a shrimp. Nature has not been quite so nice to us in that regard. Why make any distinction so that in the case of a ham or a pig jowl, they can be exempt, and yet in the case of the tomato or shrimp or salmon, which are perishable foods, there is no exemption? Let us be consistent about this matter. This is my attitude about this provision of the bill.

Mr. GOSS. Will the gentleman yield there?

Mr. McMILLAN. I yield.

Mr. GOSS. I would like to call the gentleman's attention to page 263, subsection (j), where it says—

The term "farm products" means agricultural products in the broadest sense, not processed by any person other than the original producer thereof, or an association of such producers, organized and operated on a cooperative basis.

I take this to mean that a man or an association or a cooperative could even produce canned farm products without being taxed, but not the individual.

Mr. McMILLAN. Very true.

Mr. GOSS. And this shows another inconsistency with respect to this food proposition.

Mr. McMILLAN. Exactly. Why exempt the cooperatives?

Mr. GOSS. That is it, exactly.

Mr. McMILLAN. Why exempt such an organization? It is the food that I am interested in and not so much the organization or the concern that processes it.

Mr. FIESINGER. Will the gentleman yield?

Mr. McMILLAN. Yes.

Mr. FIESINGER. Would the gentleman exempt the containers too, the bottles and all those things?

Mr. McMILLAN. No; I am not after the containers. I am not after the cans. That is a manufactured product.

Mr. FIESINGER. The gentleman is in favor of the tax on cans?

Mr. McMILLAN. I am after the food that goes into them. I am after the food and I am after trying to take care of the man who must spend his money to buy the contents of that container, the food or the necessity of life. That is what I am interested in.

Mr. LaGUARDIA. And no matter who manufactures it?

Mr. McMILLAN. No matter who manufactures it, I am interested in the consumer. Why, my friends, you take a can of peaches, at 9 cents a can. That is a luxury to many

a family in this country. That family can not go out and buy fresh tomatoes or fresh asparagus. They buy them in a container, with the sugar as sweets that is so necessary to life.

Mr. PATMAN. We can not let the bars down for one and not for others. How about the purchase of a suit of clothes?

Mr. McMILLAN. I can go out and buy a suit of clothes for \$100 and another man may go out and purchase one for \$20. There is a latitude there. I am talking about an actual necessity—food.

Now, let us look at it from the standpoint of my country in the South, where for years and years and years we planted cotton, cotton, cotton; and here a few years ago we were pleaded with to cut out planting cotton, that we were raising too much, and plant something else, diversify the crop, and we did. We went out in my State and other Southern States to raising vegetables. We raised products that were perishable. What happened? The canner came along and took care of the very thing that we were trying to do, and now the farmers are being penalized by this kind of legislation. If you are going to put a tax on the products raised by them, I say it is not fair. [Applause.]

Here you have hams and pig jowls, perhaps raised by the same man that raises the tomatoes, cabbages, and cucumbers, and other things.

[Here the gavel fell.]

Mr. HILL of Washington. I yield the gentleman five minutes more.

Mr. McMILLAN. Now, there is another element more or less personal with me that I am talking about here. I represent a coastal section of the country. Down in South Carolina there are oyster canners and shrimp canners, and those industries are operated all along the Atlantic coast of this country. I presume that on the west coast there are salmon canners. Now, I said a moment ago that you can smoke a ham, throw it in a sack, and that will be preserved by nature. The man who has got a ham is benefited to that extent, but that is not true of the oyster or the shrimp.

In the interior sections of our country they do not know, in many instances, what an oyster or a shrimp is. What are you going to do to these people who secure oysters or shrimp in cans? They never get one unless it is in a can, and it is not fair to tax them.

In subsection 5 you have meat and fish and poultry, fresh, dried, frozen, chilled, salted, or in brine. That is all right; you exempt it. But mackerel comes out of the same kind of a stream, salt water, to say the least, that the oyster and the shrimp does. In the case of the mackerel, you exempt it, and the shrimp and the oyster you do not. Let us be consistent—that is my attitude about it.

There is one other question I want to call attention to, and that is the matter of the admission tax. I am undertaking to the best of my ability to support this bill. Let us take the great mass of boys and girls in this country. They go to school from Monday through Friday, and during that time they save their nickels and dimes in order that they make take in a moving-picture show at the last of the week. That is true in my case. I have five boys. Four of those boys are in school. I know that on every Friday night those boys are interested in going to a moving-picture show.

The boys and the girls throughout this country take much pride in saving in order to take in a moving-picture show on Friday or Saturday night. That is a great joy and a pride and a comfort to the fathers and mothers in this country. I submit that the exemption of only 25 cents for admission for that sort of a tax is entirely too low, and that the exemption ought to be raised at least to 50 cents.

I hope the committee in its executive sessions during the mornings, before the bill is taken up for amendment under the 5-minute rule will take these matters into consideration and offer amendments on the floor to exempt all kinds of food, irrespective of what it is or where it is raised, and raise the exemption on theater ticket admissions.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. DOUGHTON. Mr. Chairman, I yield now to the gentleman from Georgia [Mr. PARKER].

Mr. PARKER of Georgia. Mr. Chairman, in the very beginning I want to state that I am opposed to this tax bill. As I listened on Saturday to the Hon. GEORGE HUDBLESTON, the gentleman from Alabama and the erstwhile president of the Democratic Demagogue Club, plead for the passage of the nefarious measure, I was wondering if some substitute might not be offered that would save the country and at the same time unhand the man of average means in America who is being choked to death by those who contend that it is disloyal to stand here in this House of Representatives and beg mercy for the downtrodden.

I resent the inference that I am not loyal to my country because I will not vote for a sales tax on the necessities of life or for a protective tariff that is called a tax on oil. I have proven my loyalty to my country by leaving home, family, business, and friends in 1917 and going with the flag of our country—the Stars and Stripes—as a volunteer to Europe, and by following that flag for more than five and a half years.

I would like to follow the lead of such men as the gentleman from Alabama and others who believe as he does, but until they get closer to the people I can not do it.

I can not go back to Georgia and tell those honest sons of toil in my district that I voted to tax the overalls with which they hide their nakedness as they plow the soil of my native land. I can not tell them I voted to tax their cotton socks, their brogan shoes, and their wide-brimmed hats that protect their brains from the summer sun.

Will George tell his poverty-stricken friend down in Alabama that he voted to tax the cotton clothing that his overworked wife bought for the newborn baby? Will he tell him that he voted to tax the cradle that rocks it and the baby carriage in which it rides?

And if perchance the Angel of Death has visited the home of one of his esteemed friends and has taken from him the wife of his bosom and the mother of his children, will he tell him that he, George, voted to tax the medicine that failed to keep her alive and the shroud she wore on that last long journey from which no traveler returns? Will he tell him that he voted for a tax on the casket in which she was laid away? May God forbid that I shall ever have to answer such questions in the affirmative. I say with all my heart, "Let George do it."

When did the Democratic Party first subscribe to the doctrine of the protective tariff, about which they have raised such a row since the time before I was born? Vote for it? No. Not until the "sun grows cold and the stars are old and the leaves of the judgment book unfold."

I am too well trained in the principles of Democracy to do that. Call me unpatriotic if you will, or a demagogue, or an obstructionist, or a what not. My reply is a warning to you who know better and who should do better, and it may be summed up in the following quotation:

Vice is a monster of so frightful mien
As to be hated needs but to be seen;
Yet seen too oft, familiar with her face
We first endure, then pity, then embrace.

Those who advocate the passage of this bill say foodstuffs shall be exempt from taxation, but if the same food is canned in order that it may be preserved and kept for use at a more convenient season, it must be taxed. Vegetables and fruit that my people have in such great abundance at certain seasons of the year are not to be taxed, but if the people are thrifty and save some of it for a rainy day, that portion of it that is preserved must be taxed.

When I think of the suggested tax on the movies I wonder if the daddies in this country are going to be able to stand the high cost of living and the boys and young men the high cost of loving. No doubt all of you have heard the old song "Take your girlie to the movies, if you can't make love at home." I wonder if this Congress wants to destroy this avenue of relief for pent-up affection.

"But," say they, "what do you offer as a substitute?" I am going to make a suggestion, but I fear it will not be adopted. I believe the Budget should be balanced as early

as possible, and my plan will save more money to the taxpayers of the country than the objectionable forms of taxation provided for in this bill will produce. Despite the fact that I voted against the foreign-debt moratorium and \$450,000,000 of the Reconstruction Finance Corporation appropriation, I will vote to cut every appropriation to be made by this Congress, my own salary included, 25 per cent, and that will save the \$702,000,000 of the people's money that you fellows who now pride yourself on your loyalty donated only a few short weeks ago to foreigners and big business while you were then boasting of your generosity.

The President cracked his whip and you jumped. The cracking of the little pop whip of the people of America can be heard at this very moment in every nook and corner of the United States. Do you hear it? Will you heed?

Mr. DOUGHTON. Mr. Chairman, I now yield 15 minutes to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, it is not a very envious position that I find myself in in rising to oppose this bill. I am glad that I can do so without going to the extent of some who have spoken in charging others who disagree with them with being demagogues and imputing to them unfair and unpatriotic motives. I can present my views without that. I think there is no man more deeply sincere in respect to his position in reference to this bill than I am. I oppose the sales tax provision for three reasons. First, because I believe it is the wrong principle of taxation. Next, because it adds an undue burden to that class of people who are already overburdened with taxation. Third, it is an admission that we accept the condition which the country faces and the standards of living that have been forced upon us as permanent and think there is no way around it. In doing that we seem to admit that there is no hope. When we pass this tax bill this Congress accepts the conditions that we have now and admits that it is its belief that there is no way of ever returning the country to prosperity, when the farmers and the other classes of our people may have an income sufficient to purchase the necessities of life and live in the way that Americans should and produce wealth, so that they can pay taxes in the American way, rather than have this oppressive, unjustifiable manufacturers' sales tax levied upon them. I oppose it with all the energy, power, and sincerity I have.

Now, I do not think there is any man in the House who has a higher regard for our Committee on Ways and Means than I have, and I am under deep obligations to the committee, and I have tried to let each one know how strongly I have felt this, and this is especially true of the acting chairman, who has rendered me many kindnesses and favors, and I can not refrain here from acknowledging my personal obligations to this committee and our acting chairman, Judge CRISP. I commend their splendid spirit of patriotism. I believe there is a better way to balance the Budget and return the country to prosperity than by laying this billion dollars of tax on the people of this country at this time, especially the sales tax. Such a tax as that in my judgment is un-American.

I think the most important things to do to-day is to return the country to prosperity and give the people a purchasing power. There is no chance of bringing the country back to prosperity and the conditions in 1926 without giving the people purchasing power. The farmer, laborer, and every other person who toils for a living needs purchasing power to-day. You can lay all the taxes you want to and back up big business with your finance corporations, and your foreign moratoriums, but you will never reach the heart of the thing until you bring the great mass of the people back to producing income, so that they can purchase the necessities of life. This bill will not do that.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. For a question.

Mr. BOYLAN. Will the gentleman tell us what his remedy is to do that?

Mr. PATTERSON. I am fixing to give something in a moment that will solve our problem. For instance, one thing that I would suggest is a bond issue, to put on a con-

structive program of public works, a public-improvement program, so that the people of this country, the laboring man and other people, would begin to earn and buy the manufacturers' product. This would stimulate business all along the line. I introduced some bills at the opening of this Congress calculated to do this and others have been introduced, and I believe more and more people are coming to realize the need of this kind of a program.

Then I would raise income taxes in the higher brackets much higher when we get to the million-dollar class than this bill does. In an emergency like this I would go to the war-time rate or higher.

Then I would bring about a limited expansion of the currency to stabilize the purchasing power of the dollar at or near the 1926 level and guarantee bank deposits and we should get some results.

Another thing would be to issue bonds and pay the soldiers' bonus. That will give more purchasing power to our people and discharge a debt we owe and is more urgent than paying the surplus we have on the national debt.

I want to call attention to what some of these people have to put up with now. The laboring man's wages, for instance, are \$10,000,000,000 less than they were a year or so ago. There is no use getting around it. And in this bill practically every article of food which the laboring man has to purchase is taxed. Some of the farmer's food is exempt. If he produces it at home he will not have to pay a tax on it, but practically every article of food a man buys in cans will have this tax. All of his clothes and things like that are taxed. It will be more than passed on. I do not think any man will fool himself by believing that this tax—call it a manufacturers' excise tax if you want to; it is that and more, it is a sales tax—with the incompetence that big business has shown in dealing with the conditions of this country and the power they have by monopolies and mergers, do not think for once this tax will not be passed on. They will not only pass on this 2¼ per cent, but they will more than pass it on. Our working people will have to pay it. Many of our people are without wages. Some of them are on half time. Practically none of them have the income which they had back in the days of prosperity. The income of the farmer in my State to-day is less than \$300. Much of his food will be taxed. All of his clothing, all of his farm implements will be taxed under this bill if it becomes law, which I hope it will not. These farmers and laboring people as well as the professional and small-business people are the great patriotic class of people which is always called upon when the country is in an emergency. The professional class of people, who live out of cans, people who live in the cities will be affected in practically everything they purchase—clothing, food, and all their amusements, and everything.

This bill will encourage the forming of trusts and mergers. We have already had 12 years of formation of great trusts and mergers. Not only bread trusts but various other trusts to raise the price of articles on the people. The incomes of the people have become less and less.

These great trusts have held up the prices of everything that these poor people have to buy. This will encourage more mergers and monopolies, because they will all want to get together so that they can pass it on to the consumer. I know that some differ with me on this proposition, but I feel that time will show I am right. I am perfectly willing to be called a demagogue if people choose to call me that because I am against this bill, because I am convinced that whenever this bill is passed, which I do not believe it will be, and this burden is passed on to the consumer, nothing could be done in this country that will retard the recovery of business and the recovery of the earning power of the people more than this bill.

We hear all this talk about balancing the Budget. I believe it is important to balance the Budget and think we should proceed to do that gradually and reasonably. I want to say one other thing. What a fine example we have to follow in following the people who advise us to balance the Budget and give all these estimates.

We are told that the fiscal year of 1931 ended with a deficit of about \$900,000,000. I am sure I am not mistaken when I say we are told that. How many of you remember in December, 1929, this same group that is advising this bill now, brought in here through the Ways and Means Committee a tax-gift bill? I will not respect it by calling a tax-reduction bill. It was a tax-gift bill. The Under Secretary, who indorses this bill, who recommends this bill, with his chief, sent up here a bill giving back a portion of the taxes on incomes which were collected during the calendar year 1930. One-half of those collections were in the latter part of that year, and it was in the fiscal year 1931 they claimed they could afford to give this money to those who least needed tax relief. It would not do for me to say what I think of such a measure which turned out to be such a farce, and I will say a disgrace. They said the Treasury would stand that reduction of income taxes. Less than 25 Members opposed that; some of the Democratic Members on the Ways and Means Committee took the floor at that time and spoke for that bill and led us up the mountain toward the celestial city where we could view what they called the delectable mountains, and I challenge any man now to get up and say that it was sound legislation. That was the same group we are following to-day in this tax bill.

Here we were passing the Reconstruction Finance Corporation bill, the moratorium, and all these appropriations, and none of this group said anything about the large deficit we were going to have at that time. No. We were going to pass this bill and provide this money to loan the railroads and other big financial institutions, and you are obliged to admit, whether you call that sound legislation or not, such legislation by any government is an admission that something is wrong somewhere, and no one can defend such legislation as that.

In this bill, in spite of the fact that the laboring man's can of sardines is taxed, the farmer's plow and the plowstock and his cultivator and all those things are taxed, we find the newspapers, with all their big advertising and their leased wires, and so on, still undisturbed.

I was very much amazed at my good friend the gentleman from South Carolina a while ago, when he made a roaring speech against this bill, after saying he was going to vote for the bill. He got down here and did not find a single thing worthy of speaking for. He was speaking against it all the time.

I am glad if anyone wants to call me that; I am glad I can be called a demagogue when I am defending what I believe to be the great masses of the people of this country. I shall fight on and oppose this bill to the last, and I believe that enough Members can be found here to defeat it and strike out those iniquitous provisions which lay such burdens on our people as have never been laid before either in war or peace. It is indefensible, and I appeal to all those who believe in an American system of taxation to join in the defeat of this bill and raise the taxes with higher brackets on income and estate and gift taxes.

Those 30,000,000 farmers whose incomes are only about \$6,000,000,000 will pay three or four times as much in percentage of their incomes under this bill as that great wealthy class which we hear about. We have been told that 10 per cent of the people own around 90 per cent of the wealth of this country, and if they can get a bill passed like this and get a principle of taxation established like this in this country, of course, they will rejoice, because it will be just the beginning. It will be like that bill which was sent up by this same group last session. Some of you may not remember it, but it was offered during the last days of the session by the Ways and Means Committee, and that bill would have permitted Andrew Mellon and that group to take all of their money and put it in Government bonds and be free of the surtax or any taxes. You could not tax them a dollar under the surtax on anything—city, county, or State. That is the same group that is leading us to put this tax on the American people at this time. As I say, in my judgment it will retard business and cause a most unbearable burden

on our people. It will reduce the earning power and the purchasing power of the farmer and the workingmen of this country, and it will cause us to be longer and longer in this depression.

Let me say again that when this Congress accepts this principle of taxation it will aid only the wealthy. They talk about courage. I tell you we should have more courage in being willing to do something to start the wheels of industry going in this country. We should not aid these great big corporations and financial institutions, who have brought this condition on the country and neglect the workingman and farmer. They have brought it on the country more than anyone else.

I challenge anybody to get up here and say that the big financial institutions of this country are not responsible for our present situation. I say that if they had done their duty, we would not be in our present situation, and there would be no necessity for the proposal of such taxation.

Mr. PATMAN. Will the gentleman yield?

Mr. PATTERSON. Yes.

Mr. PATMAN. Has the gentleman taken into consideration the fact that we were led to believe that England could not pay her part of the \$252,000,000, yet this week we were astonished to learn that England had paid to the international bankers in New York City \$150,000,000.

Mr. PATTERSON. We were led to believe that none of them could pay, but when we come to dig it up I think we will find that most of them can pay. I think some of the investigations carried on by the Senate have shown just where the international bankers have had their hand in these matters and how they have brought about this condition. They sold these securities to the small banks and got their profits out of them, but, of course, the small banks had to take the loss. Of course, they wanted to do all they could to keep their credits and collect what was due them. [Applause.]

I sincerely hope enough Members of this House can be found to save the masses when this comes up for vote. Our people are depending upon us. They can not have lobbyists. With me they need none. I hope we can all meet to challenge and save our people. [Applause.]

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, and had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert a short radio speech made by Otis Wingo, Jr., son of the late Otis Wingo, a former Member of this House, and Mrs. EFFIEGENE WINGO, a Member of this House at this time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. STAFFORD. Mr. Speaker, that is a very dangerous precedent, and at this hour of the day I object. The matter can go over until to-morrow morning, when the gentleman from Massachusetts [Mr. UNDERHILL] will be present.

PROHIBITION

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the resolution to discharge the Judiciary Committee from the further consideration of H. J. Res. No. 208.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARLAN. A number of Members who are privately most heartily in sympathy with the purpose of the proposed resolution, to resubmit the eighteenth amendment to the vote of the people, have stated that they do not intend to vote for its consideration at this time for the reason that they

would prefer some other form of resolution. It is difficult to see how such a reason for not voting favorably to this resolution can be construed by the people of the United States as anything else than a subterfuge. Nor is it at all surprising that Members chiefly on the Democratic side of this House have been reticent to vote for this measure, where so many of our Members at least consider themselves to be in districts opposed to reconsideration of this amendment. These Members have used every argument to prevent other Democrats from voting for resubmission, the most cogent one being that in view of the present complexion of another legislative body it is unbelievable that this resolution could pass at all, and it is unfair to require Members seeking reelection to lose friends on a moot question. This argument has undoubtedly dissuaded a great number of those on the majority side from voting for consideration.

This question is one affecting the whole United States and not a particular congressional district; it is one to which the people of the United States are looking to this Congress for encouragement, and it is one which will probably more than any other affect the destinies of the Democratic Party in 1932. Ordinarily we would all be inclined to make the pathway of our colleagues representing an allegedly dry district as smooth as possible, but it is my intention to discuss this question frankly and from a purely political viewpoint, relegating for the moment the very serious economic and governmental questions which are also involved.

For the last 10 years the Republican Party has kept itself in power by keeping the control of the northeast section of the United States. They have kept control of that section by virtue of their tariff policy and because they have been able to tell the antiprohibition followers there that the Democratic Party with its dry incubus in the South will be wholly unable to afford any relief on the question of prohibition, and that they, the Republican Party, at the opportune time, will see that the rigors of prohibition are obliterated.

This same party has also worked hand in hand with the dry forces, accepted their political and financial support, and pretended to deliver rigorous support of the prohibition laws. Thus by holding the antiprohibition forces, who are for the most part for high protection, and the prohibition forces together, the Republican Party until 1930 was able to keep itself impregnable. At that time the collapse of the Republican tariff policy enlightened the antiprohibition voters, who turned to the Democratic Party, and as a result that party changed from a hopeless minority into a majority party in this Congress.

It is up to us to decide by our showing in this Congress, and at the national convention at Chicago, whether we contain the force within our party to consolidate these elements that have come to our support, or whether we shall again be relegated to an opposition minority roll. If by our action in this Congress we verify the statements which our Republican opponents have given, that they alone are the true antiprohibition party, we may now and for years to come say farewell to the support of the populous sections of this country.

We have no choice on this issue from a purely political viewpoint. If the Master Himself, reincarnated, were to be nominated at the head of the Democratic ticket on a strict prohibition platform—assuming that He could be persuaded to abandon His teachings and submit to such a program—the dry forces of the United States would still vote for Herbert Hoover for President. Out of ordinary gratitude they could do nothing else. So the choice left for the Democratic Party is, will it accept the support of the antiprohibition group or will it drive those forces to their former alliance with Republicanism?

But, you say you do not like the present resolution, and neither do I, although I shall certainly support it if a majority of this House do not agree to amendments which I believe proper. However, the time to consider those amendments is after this resolution, to call the proposed resolution up for discussion, is passed. May I read this resolution?—

Article XVIII of the Constitution is hereby amended so as to read:

"The Congress shall have power to regulate or to prohibit the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, and the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes: *Provided, however,* That such power shall not be construed or applied to abridge or deny the right of any State to authorize and regulate the manufacture, sale, transportation, or use of such intoxicating liquors wholly within the borders of such State; and such power of regulation or any power of the Congress to regulate interstate and foreign commerce shall not be construed to empower the Congress to authorize the shipment, transportation, or importation into any State of intoxicating liquors for beverage or other purposes, whenever the manufacture, sale, transportation, or use of such liquors has been prohibited by the laws of such State; and any such shipment or importation of intoxicating liquors into such State in violation of its laws is prohibited, and any such shipment or importation shall be subject to the laws of the State upon its arrival therein."

Primarily I do not like the proposed resolution because it does not specifically contain a clause repealing the eighteenth amendment. It is merely a proposed amendment, to the eighteenth amendment, and leaves the original eighteenth amendment in the Constitution. This seems to me to be a palpable surrender of principle, to political expediency, and by retaining the eighteenth amendment in the Constitution we are continuing needlessly many of our present evils. Needless, because there is no voter who will vote for the proposed resolution who would not also vote for the repeal of the eighteenth amendment.

I should therefore strike out the words "Article XVIII of the Constitution is hereby amended so as to read" and add at the end of the resolution, section 2, "The eighteenth amendment to the Constitution of the United States is hereby repealed."

The courts have recently held that the eighteenth amendment is self-executing. That is, it does not necessarily require legislation to give it effect, in so far as it can become effective without legislation. See *Ahlberg v. United States* (271 Fed. 661), and *Rhode Island v. Palmer* (253 U. S. 350). The Beck-Linthicum resolution is merely an enabling provision allowing the Federal Government to pass resolutions and punitive laws, in the event the States do not pass these laws. But the States are nowhere granted authority to override the provisions of the eighteenth amendment. Therefore, the eighteenth amendment, in its self-executing power, will still declare the traffic in alcohol unconstitutional and will seriously jeopardize the validity or civil contracts even though the States do provide that the traffic in alcoholic liquors is not criminal.

Also the Beck-Linthicum measure authorizes a State to prohibit the transportation of beverages through that State, from one antiprohibition State to another, thus enabling Kansas to prevent the brewers of Missouri from shipping beer to Colorado, through Kansas. This, I submit, is little less than an absurdity. I therefore believe that the following clause should be added to the first paragraph of the Beck-Linthicum resolution: "*Provided further,* That the provision of clause 3 of section 8 of Article I of the Constitution of the United States is unaffected by this amendment as pertaining to shipment of all commodities through a State to a consignee beyond the borders thereof."

Furthermore, the Beck-Linthicum resolution perpetuates the fundamental error of the eighteenth amendment in that it includes a statutory provision which is not a part of the basic law. It perpetuates forever in the Constitution the Reed amendment to the Webb-Kenyon law. This may be the most wise and equitable law conceivable by the human mind, but it is nevertheless a law and should not be included in the Constitution. It is not necessary, because it is already part of the statutes of the United States. I would, therefore, strike out the following clauses at the end of the Beck-Linthicum resolution: "And any such shipment or importation of intoxicating liquors into such State, in violation of its laws, is prohibited."

In the event that this House decides to consider the Beck-Linthicum resolution, it is my purpose to offer the above amendments. But my views on the desirability of such amendments would be decidedly flimsy reasons for refusing to vote to consider the resolutions at all. Such a vote is

going to be very hard to explain to the constituents of your district or the people of the United States. And such a vote cast on the Democratic side of this House will constitute just one more burden for our party to bear in the coming election.

"THE HORROR OF IT"—A BOOK DEPICTING WAR'S REALITIES

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks on a book entitled "The Horror of It."

The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS. Mr. Speaker, a little book entitled "The Horror of It," arranged by Mr. Frederick A. Barber, of Historical Foundations, and published by Brewer, Warren & Putnam, New York, came into my possession recently. The book is a camera record of the gruesome glories of the World War.

I asked Mr. G. P. Putnam, of this firm, if any of the photographs were supplied him by the Signal Corps of our War Department, and received the following reply from him:

I have for some time been interested in issuing a book which would, through the use of actual photographs depicting the horrors of war, drive home to those who look at it exactly what war means in human agony and suffering. After collecting from other countries typical pictures depicting the gruesome side of modern military operations, I sent a representative to the Signal Corps, who selected from their large collection of war pictures a group of photographs desired. When the nature of their use was divulged the War Department refused to give them out.

Subsequently I wrote to the Chief of the Signal Corps again requesting the use of these pictures in a book which I frankly described as designed as a document against war, graphically illustrating the horrors of modern conflict. This request was turned down in a brief letter stating that "there are no pictures on hand such as you desire that are available for publication."

I then called upon Maj. Gen. Irving J. Carr, Chief of the Signal Corps. I explained to him frankly what I wanted and why. With equal frankness, he replied that the department would give out only those pictures which depicted the more pleasing aspects of war—that it was not "ethical, not decent, and against public policy" to release photographs depicting the repulsive side of war. General Carr said to me:

"To give out any such pictures would be against public policy. It would not be ethical; it would not be decent. Think of the gold star mothers the country sent to France. Over there they saw the lovely cemeteries in which lie the dead of the American Expeditionary Forces. Perhaps their boys lie there. These mothers carried home in their minds beautiful pictures of these well-kept resting places. That is what they should have—we can not spoil these memories."

I asked if these mothers and other mothers are not entitled to evidence of the ghastly side of war, bringing home realization of what other wars inevitably will mean. Summed up, General Carr said that the Signal Corps would supply any pictures desired which show the pleasant features of military operations but entirely refused to let us have anything else.

My contention is that the Signal Corps pictures, except those involving secret military matters, should be available to any reputable taxpayer. To me it seems unsound that the Army should decide what war pictures a publisher may use. If the department actually could put into operation its edict, the public would only see those pictures which glorify war.

It is but fair to add that despite the Signal Corps' opposition we were actually able to include in the book certain American photographs which found their way into circulation some years ago, in addition to a selection of authentic pictures from Germany, England, and France, amazing in their stark and shocking reality. Please realize that no "atrocities" are included. The book has no bias of nationality and has blame for no one. Its purpose, as exemplified by its title, is simply to depict the "horror of it" as seen by the truthful camera—an unemotional document.

Under all the circumstances I suppose we could not expect anything but opposition to its content and its purpose at the hands of the War Department.

It is evident that the War Department has refused the publication of the war pictures in its possession. Such material as might reveal military secrets which would be of use to a possible enemy would naturally not be given out for publication, but the taxpayers of this country have the right to expect the publication of this material now suppressed by the War Department. Not merely the taxpayers but the press, so zealous regarding its freedom, should accept without protest this infringement of its rights.

We are now brought face to face with the problem. Should Congress, the elected representatives of the people of this country, tolerate in silence this violation of the Constitution? Do we need to be reminded that "Congress shall

make no law * * * abridging the freedom of speech or of the press * * * Congress could not violate this provision, yet it permits a department of this Government to abridge the freedom of the press and thus carry on, in violation of the Constitution.

If all pictures in the War Department were denied to the press, individuals might be tempted to conclude that the department, fearful of creating a war mind, suppressed all visual aids on this subject. But the department does not merely pretend to suppress; it censors. As noted in the letter already quoted, it permits and encourages the publication of photographs that present the pleasant aspects of war. In fact, one branch of the department is assigned to this task of securing and publishing attractive photographs on war subjects.

Our Sunday editions carry these—marching soldiers, troops of men on horseback, cadet troops headed by well-dressed bands playing martial music, youngsters at target practice, girl majors in military uniforms saluting cadet officers. While this "afternoon tea" portrayal of war is being secured daily, and released daily by the War Department for the purpose of propagandizing the institution of war, why not reveal to the taxpayers the reverse side of the picture? Why not publish the real, the serious side of war? Why not tell the American people the whole truth? If the War Department does not feel called upon to publish the whole truth, it should not prevent the press from placing the truth before the people of this country. In other words, why prevent a citizen from publishing pictures of the realities of war? Why not portray the maimed, the dead, and the dying, as well as well-dressed troops marching to martial music down streets lined with joyous, cheering crowds? But the press is told by the War Department that the American public must not be told the whole truth.

In this regard we should compare ourselves with other countries. The countries of Europe have opened their archives to their citizens. Many of the photographs in this book have been secured from official sources in other countries. It should be observed that our citizens, denied permission to publish the whole war story by our War Department, have found these same pictures the common property of the citizens of other countries. The freedom in this country should be as great as that in any other country in this regard.

"The Horror of It" is a portrayal of the whole truth of the institution of war as revealed in the torn bodies and minds of individuals. It pictures not ambition and idealism but the physical clash of forces and soldiers as pawns of war. It is realism to the nth degree. In the face of this stark realistic portrayal of the whole truth of war, the War Department's idealistic presentation of war as marching troops, banners waving, bands playing, can no longer be carried on. The War Department's idealism must be replaced by the realism of war itself.

The Government of the United States should not favor, or permit, any department of the Government to carry out any system by which the people of this country should not be given the whole truth. It is only by this means that there can be a release of civilization from the nightmare of war.

MASSACHUSETTS AND PROHIBITION

Mr. GRANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRANFIELD. Mr. Speaker, our people have patiently waited for the arrival of this day. I am happy indeed that they have not waited in vain. For the first time since the ratification of the eighteenth amendment the Congress is given an opportunity to vote directly upon this very important issue. Many years have elapsed and a great many changes have taken place in the economic, social, and industrial life of America since the adoption of the eighteenth amendment. Millions of our people opposed and protested its ratification, and to-day, for the first time in 12 years, under Democratic control of the House of Representatives, we are to have an opportunity to express our

opinions. This is merely the beginning of the movement to repeal the eighteenth amendment, and I am confident that it is a movement in a direction which will culminate in the ultimate repeal of this amendment.

As a Member of the Congress from Massachusetts, I take particular pride in my Commonwealth. It is a distinctive honor to be included in the membership in this House from Massachusetts. As I stand here to-day I take a great deal of satisfaction in the knowledge that Massachusetts has always stood for right against wrong. It was in the old Bay State that the first blow for liberty was struck; it was there in the guise of redskins the stout-muscled colonists threw the tea overboard and raised the cry that taxation without representation was tyranny. Massachusetts was bold and aggressive in her fight for right against might; she still possesses that same virile and indomitable spirit to-day. In 1918 the citizens of Massachusetts, impressed by the solemn promises of the advocates of prohibition, ratified the eighteenth amendment. A few years later the so-called Baby Volstead Act was enacted into law in an effort to give the experiment, noble in purpose, as alleged, a fair and just trial. For the years that followed the enforcement authorities of Massachusetts bent their every energy to enforce the liquor laws of the State and Nation. On November 4, 1930, by a vote overwhelming in its proportions the people of my Commonwealth repudiated the Baby Volstead Act and served notice on the Congress and on the other States of our Union that prohibition was a failure, and so, my colleagues, Massachusetts again rises in all its might against wrong. Massachusetts has repudiated the eighteenth amendment, and on March 13, 1931, by a joint resolution of both branches of the general court it called upon the Congress for action.

I incorporate at this point in my address the resolution to which I refer.

THE COMMONWEALTH OF MASSACHUSETTS, A. D. 1931

Resolutions making application to Congress in accordance with Article V of the Constitution of the United States to call a constitutional convention to amend or repeal the Eighteenth Article of Amendment or to propose such an amendment for submission to the several States

Whereas a condition of widespread dissatisfaction prevails with the workings and results of Article XVIII of the Amendments to the Constitution of the United States; and

Whereas it is desirable to attempt to improve, clarify, or quiet such condition; and

Whereas the only methods for repealing or modifying said Article XVIII are set forth in Article V of the said Constitution: Therefore be it

Resolved, That the General Court of Massachusetts, acting in pursuance of said Article V, hereby requests that Congress call a convention under said article for the purpose of proposing an amendment or amendments to the Constitution amending, modifying, revising, or repealing said Article XVIII; or that Congress, acting in pursuance of said Article V, itself propose such an amendment or amendments; and requests that in either case the same be submitted for ratification by conventions in the several States; and be it further

Resolved, That the secretary of the Commonwealth forward forthwith to the presiding officers of both branches of Congress certified copies of these resolutions, attested by the clerks of both branches of the general court.

Adopted March 13, 1931.

A true copy, attest:

FRANK E. BRIDGMAN,
Clerk of the House of Representatives.
WILLIAM H. SANGER,
Clerk of the Senate.

The Commonwealth of Massachusetts, office of the secretary, witness the great seal of the Commonwealth.

F. W. COOK,
Secretary of the Commonwealth.

This resolution of the general court was no idle gesture; it was Massachusetts speaking out of its glorious past, issuing a mandate to her representatives in the Congress. I, as one privileged to represent her, deem it an honor to carry out her mandate to-day.

In addressing you this afternoon I can not forego the opportunity to recall to the attention of the Members of this House the list of impressive promises made by the advocates of prohibition some 12 years ago. Those men and women, undoubtedly sincere, promised to officially bury throughout the United States John Barleycorn, liquor was to disappear entirely from our country, crime would be

banished, the saloon destroyed, poverty and the poorhouse would disappear, and prosperity on a permanent basis was to be insured. Our Federal penitentiaries were to be sold under the auctioneer's hammer. These promises have not been fulfilled. Our penitentiaries are overcrowded, the tide of liquor flows throughout the country unstemmed, the speak-easy supplants the saloon, and rackets of every description organized throughout the land, with the Nation's Treasury empty and 8,000,000 of its people unemployed. These, my colleagues, are the indisputable results of prohibition.

I am forced at this time to bring to the attention of the House the attitude of former Presidents William Howard Taft and Woodrow Wilson on this troublesome issue. Although these men were the real leaders of their day on this issue, only a small portion of our people followed their advice.

Mr. Speaker, I incorporate in my remarks at this point certain correspondence between President Taft and Allen B. Lincoln, of New Haven, Conn., and President Wilson's veto of the Volstead Act.

WILLIAM HOWARD TAFT'S PROTEST AGAINST NATIONAL PROHIBITION AND EIGHTEENTH AMENDMENT

FIRST LETTER

NEW HAVEN, CONN., June 8, 1918.

MY DEAR MR. LINCOLN: I am opposed to national prohibition. I am opposed to it because I think it is a mixing of the National Government in a matter that should be one of local settlement. I think sumptuary laws are matters for parochial adjustment. I think it will vest in the National Government, and those who administer it, so great a power as to be dangerous in political matters.

I would be in favor of State prohibition if I thought prohibition prohibited, but I think in the long run, except in local communities where the majority of the citizens are in favor of the law, it will be violated.

I am opposed to the presence of laws on the statute books that can not be enforced and as such demoralize the enforcement of all laws. If I were in a local community in which I thought prohibition could be enforced, I would vote for it. If not, I would favor a high license, but I am not in favor of a national amendment which should force 12 or 15 great States into a sumptuary system which the public opinion and the real practices of the people of those States would not support. I think it is most unwise to fasten upon the United States a prohibitory system under the excitement of the war, which I do not hesitate to say every sensible supporter of prohibition in the end will regret.

Let the States which wish to do so prohibit. They have every means now of enforcing prohibition. There is a Federal law, sustained as constitutional, which forbids the importation into them of liquor from other States, and the whole field is open to State legislation and its enforcement. I don't drink myself at all, and I don't oppose prohibition on the ground that it limits the liberties of the people. I think that in the interest of the community, and of the man who can not resist the temptation to drink in excess, if he has the opportunity to drink at all, other citizens in the community may be properly asked and compelled to give up drinking, although that drinking may do them no injury. My objections to prohibition are as I have stated them above.

Sincerely yours,

WILLIAM H. TAFT.

SECOND LETTER

POINTE-A-PIC, P. Q., CANADA,
September 2, 1918.

MY DEAR MR. LINCOLN: You asked me if you may hand to Mr. Osborn for publication my letter to you of June 8, 1918, on national prohibition. There are some reasons for my views which I would have elaborated had I expected the letter to be published. Therefore, please publish with that letter the following:

A national prohibition amendment to the Federal Constitution will be adopted against the views and practices of a majority of the people in many of the large cities and in one-fourth or less of the States.

The business of manufacturing alcohol, liquor, and beer will go out of the hands of the law-abiding members of the community and will be transferred to the quasi-criminal class. In the communities where the majority will not sympathize with a Federal law's restrictions, large numbers of Federal officers will be needed for its enforcement. The Central Government now has very wide war powers. When peace comes these must end, if the Republic is to be preserved. If, however, a partisan political head of the Internal Revenue Department, or of a separate department created for the purpose, shall always be able through Federal detectives and policemen to reach into every hamlet and to every ward and to every purlieu of a large city and use the leverage of an intermittently lax and strict enforcement of the law against would-be dealers in liquor and their patrons, he will wield a sinister power, prospect of which should make anxious the friends of free constitutional government.

"A new broom sweeps clean." A temporary national prohibition law as a war measure may be effective. It is urged to stimulate war production in the emergency, and to take temptation from our soldiers, though it is doubtful whether the serious loss to the national revenue which it will entail may not outweigh the actual benefits. The immediate useful operation of such a law, or of a new State prohibition law, is not convincing evidence of its ultimate tendency and result.

The community must summer and winter it for years. After the law-abiding members of the business go out of the business and a complete readjustment follows, the pressure for violation and lax execution in communities where the law is not popular will be constant and increasing.

The reaching out of the great central power to brush the doorsteps of local communities, far removed geographically and politically from Washington, will be irritating in such States and communities, and will be a strain upon the bond of the national Union. It will produce variation in the enforcement of the law. There will be loose administration in spots all over the United States, and a politically inclined national administration will be strongly tempted to acquiesce in such a condition. Elections will continuously turn on the rigid or languid execution of the liquor law, as they do now in prohibition States.

The ever-present issue will confuse and prevent clear and clean-cut popular decisions on the most important national questions, and the politics of the Nation will be demoralized as the politics of States have been through this cause. The issue will never be settled.

The theory that the National Government can enforce any law will yield to the stubborn circumstances, and a Federal law will become as much a subject of contempt and ridicule in some parts of the Nation as laws of this kind have been in some States.

We are acting now under the heroic impulse of a war, which stirs our feelings and makes us think we can have a millennium of virtue and self-sacrifice for the future. This is a fundamental error. I profoundly deprecate having our constitutional structure seriously amended by a feverish enthusiasm, which will abate to neglect and laxity in many States as the years go on.

If through the abnormal psychology of war the 36 States are induced to approve a national prohibition amendment now, we can never change it, though a great majority of the people may come later to see its utter failure. Thirteen prohibition States can always be counted on to prevent a retracing of the foolish step. We shall thus hang a permanent millstone around our necks.

Individual self-restraint, the influence of improved social standards and criticism, and the restrictions enforced by employers of labor for industrial reasons have probably had more to do with moderating the evils of intoxication than statute law. I would not minimize, however, the advantage of the removal of the temptation of access to liquor by law when the law is backed by local public opinion and can be enforced.

Nor is my conviction affected by any sympathy with those who are engaged in the manufacture or sale of intoxicating liquors. It is now nearly half a century ago since the Supreme Court's interpretation of the Federal Constitution warned everyone engaged in the business that he invested a capital therein at the full risk of its being declared unlawful, and of the consequent loss that future legislation might entail. Moreover, the demoralizing political power which saloonkeepers and liquor manufacturers sought and wielded to protect their business from proper regulation, and the defiance they bid to reasonable public opinion, roused the just indignation of the electorate.

Many have voted, and now vote, merely to destroy the power of the saloon in politics, without regard to any other consideration. The saloonkeepers taught the Anti-Saloon League how to fight, and the latter has learned the lesson well and applied it, and often without any more scruple as to the method or means than its teachers. The liquor dealer thus is "hoist with his own petard."

I have never concealed my views on this subject, and it is a matter in which one should speak out. An intensively active minority, in favor of adopting an unwise policy, may win through the failure of the members of the majority, though opposed to the policy, publicly to declare themselves and to take the trouble to give effect to their opinions by their votes.

A minority like this, conceiving that it is moved by a moral issue, loses its sense of proportion and sacrifices other issues, no matter how vital to the Nation. Such minority visits with its condign punishment all public servants who oppose it on this issue, however useful to the State they may be. I would not impeach the high-minded motives of the great body of those who support national prohibition. It does awaken one's protest, however, to note the manner in which the ordinary type of politician becomes a prohibitionist because he fears the balance of power that an active political minority may wield against his political fortunes. In the past he may have been subservient to the liquor dealers; in the present his practices may completely refute the sincerity of the principles he advocates; but he and men of his ilk would recklessly and selfishly hurry us into an irretrievable national blunder.

The regulation of the sale and use of intoxicating liquor should be retained by the States. They can experiment and improve. They have full power and the Federal Government has helped them by making it a Federal offense to import liquor into their borders, if they forbid it.

If the power of regulation is irrevocably committed to the National Government, the next generation will live deeply to regret it. For these reasons, therefore, first, because a permanent national liquor law in many communities will prove unenforceable for lack of local public sympathy; second, because attempted enforcement will require an enormous force of Federal policemen and detectives, giving undue power to a sinister and partisan subordinate of the national administration; and, third, because it means an unwise structural change in the relations between the people of the States and the Central Government and a strain to the integrity of the Union, I am opposed to a national prohibition amendment.

Sincerely yours,

WILLIAM HOWARD TAFT.

PRESIDENT WILSON'S VETO OF VOLSTEAD ACT

To the House of Representatives:

I am returning without my signature H. R. 6810, "An act to prohibit intoxicating beverages and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries."

The subject matter treated in this measure deals with two distinct phases of the prohibition legislation. One part of the act under consideration seeks to enforce war-time prohibition. The other provides for the enforcement which was made necessary by the adoption of the constitutional amendment. I object to and can not approve that part of this legislation with reference to war-time prohibition. It has to do with the enforcement of an act which was passed by reason of the emergencies of the war, and whose objects have been satisfied in the demobilization of the Army and Navy, and whose repeal I have already sought at the hands of Congress. Where the purposes of particular legislation arising out of war emergency have been satisfied, sound public policy makes clear the reason and necessity for repeal.

It will not be difficult for Congress in considering this important matter to separate these two questions and effectively to legislate regarding them, making the proper distinction between temporary causes which arose out of war-time emergencies and those like the constitutional amendment of prohibition, which is now a part of the fundamental law of the country. In all matters having to do with the personal habits and customs of large numbers of our people, we must be certain that the established processes of legal change are followed. In no other way can the salutary object sought to be accomplished by great reforms of this character be made satisfactory and permanent.

WOODROW WILSON.

THE WHITE HOUSE, October 27, 1919.

It is unfortunate indeed that the people of our country failed to accept the leadership of such distinguished Executives as former President Taft and former President Wilson back in 1918. Had their leadership been accepted instead of the leadership of the Anti-Saloon League, America would not be confronted with its many social, economic, and industrial problems to-day.

Mr. Speaker, I am happy indeed to be able to stand on the floor of this Congress and vote to give the people of this country the right to again determine their attitude upon this question of prohibition.

CALENDAR WEDNESDAY BUSINESS

Mr. CRISP. Mr. Speaker, it is of the highest importance that we make as much progress as we can with this tax bill. I have consulted with the majority and minority leaders, and I ask unanimous consent that business in order on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. Strong of Pennsylvania, indefinitely, on account of sickness.

EXTENSION OF REMARKS—THE REVENUE BILL OF 1932

Mr. AYRES. Mr. Speaker, when we are informed by the Secretary of the Treasury that an excise tax on foreign petroleum will not bring any more than \$5,000,000 a year, and then when we are also informed on the same high authority that the various taxes suggested will provide \$5,000,000 more than is really needed, it is quite evident that there must be some motive behind these statements. The Treasury Department, under its former as well as its present Secretary, has been opposed to various measures for protection of the American petroleum industry against unfair competition of foreign oil which now enters duty free to the immense profit of a few great oil-importing concerns. Since Congress has the right to know just what influences are

being brought to bear upon any proposed legislation, surely one may be allowed to inquire whether it is Mr. Mills, the Secretary of the Treasury, who is making these suggestions or whether it is Mr. Mills, an otherwise interested party and the opponent of the restoration of a great American industry.

The superiority of a tariff or an excise tax on foreign petroleum and its refined products over many of the forms of sales tax now advocated ought to be self-evident. While it is not a matter of simple arithmetic, it does not involve any higher mathematics. The Federal Treasury would receive the revenues from whatever tax was levied on these foreign products, such as possibly 4 cents on gasoline, 2 cents on crude, fuel, and gas oils, and so forth. While no one could exactly estimate the amount of these which would be thus imported, I do not believe any oil expert would seriously challenge the statement that importation would not greatly decrease. Even if it did fall behind the 105,000,000 barrels of imported oil and refined products which entered this country at the very time that American producers had curtailed their production 109,000,000 barrels below the figures of the previous year, it would still be sufficiently large to net a pleasant revenue.

Any reduction in the importation of foreign oil would be compensated by the increased production of American petroleum, which pays heavy State taxes and also pays to the Federal Government large sums in corporation taxes, income taxes, and so forth. Those taxes have not been very considerable in the past few years when the foreign oil dominated the American market. If once fair competition is assured, however, they should increase greatly. Few tax proposals have had this form of adjustment by which the Federal Treasury profits and the State treasuries equally profit while an American industry is restored.

It is no argument against an excise tax to suggest that representatives of the Treasury Department do not expect it would produce large returns. In the words of the present Speaker of the House, made at the hearing of the Ways and Means Committee in considering the revenue revision bill of 1927-28, quoted on page 211 of the public hearings:

I might suggest, with reference to that, that the Treasury viewpoint with reference to rates and what should be taxed and what should not be taxed is not always persuasive.

The justification for this attitude toward Treasury estimates, as well as the justification of the skepticism with which we might view any statement of the Treasury on the proposed excise tax on petroleum, might be found in the following statement showing a comparison of anticipated and actual Government revenues as set up by the Treasury Department:

For 1926:	
Estimated internal revenue.....	\$2,621,500,000
Actual collections.....	2,835,999,892
Underestimate.....	223,499,892
The return from corporation taxes was overestimated by \$55,000,000, and that from miscellaneous internal revenue underestimated by approximately \$20,000,000.	
Individual income taxes estimated at.....	603,800,000
Actual collections.....	745,392,481
Underestimated.....	141,592,481
For 1927:	
Estimated revenue from corporation income tax.....	1,120,000,000
Actual collections.....	1,125,000,000
Underestimated.....	5,000,000
Estimated individual income tax.....	820,000,000
Actual collections.....	763,000,000
Overestimated.....	57,000,000
Back taxes estimated.....	250,000,000
Actually collected.....	331,000,000
Underestimated.....	81,000,000
Estimated miscellaneous internal revenue.....	619,000,000
Actual collections.....	646,000,000
Underestimated.....	27,000,000
Total internal-revenue taxes underestimated.....	56,000,000
The 1927 actual surplus exceeded the estimate by.....	252,000,000

The Treasury Department was only wrong by \$223,000,000 in its estimate of the 1926 internal-revenue receipts; it was only wrong by the trifling sum of \$55,000,000 in its overestimate of returns from corporation taxes for 1926; it made

only the negligible error of \$141,000,000 in its underestimate of income taxes for that year.

The Treasury Department rather surpassed itself in its estimates for 1927. The actual surplus for that year exceeded the Treasury estimate by \$252,000,000. Throughout the record we may note that the Treasury Department has rarely been optimistic. Its mistakes have usually been underestimates just as in this estimate of the possible receipts from the excise tax on foreign petroleum. An underestimate of \$5,000,000 on corporation taxes, of \$57,000,000 on individual income taxes, of \$81,000,000 on back taxes, of \$27,000,000 on miscellaneous internal revenue, and of \$56,000,000 on total internal-revenue taxes, are rather concrete illustrations of the tendency of Treasury Department experts to take a pessimistic view of any potential receipts.

The figures used in this statement, it should be noted, are for the years 1926 and 1927. Those were reasonably normal years. They were not characterized by stock-market crashes and depressions such as might make difficult any fair estimate for a more recent period. Business was reasonably stable and the available statistical material was not subject to such serious discount as might characterize similar data to-day. And yet, in those comparatively normal years the Treasury Department did not suggest any skillful marksmanship in hitting the target at which it aimed. It is a reasonable inference that the same expert opinions offered in regard to the possibilities of an excise tax on foreign petroleum are scarcely more accurate. They are probably just as pessimistic and as subject to this tendency to underestimate as the general reckonings made by Treasury officials.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 212. An act for the relief of Messrs. Short, Ross, Shaw, and Mayhood; to the Committee on Claims.

S. 213. An act authorizing adjustment of the claim of Kenneth Carpenter; to the Committee on Claims.

S. 219. An act authorizing adjustment of the claims of Orem Wheatley, Kenneth Blaine, and Joseph R. Ball; to the Committee on Claims.

S. 681. An act providing for the sale of certain public lands to the city of Provo, Utah; to the Committee on Public Lands.

S. 1295. An act for the relief of Willie Hutchinson; to the Committee on Military Affairs.

S. 1719. An act amending the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924; to the Committee on Indian Affairs.

S. 1975. An act to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever," approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act; to the Committee on Military Affairs.

S. 2883. An act prescribing regulations for carrying on the business of lighter service from any of the ports of the United States to stationary ships or barges located offshore, and for the purpose of promoting the safety of navigation; to the Committee on Merchant Marine, Radio, and Fisheries.

S. 3154. An act authorizing the conveyance of certain lands to the city of Fallon, Nev.; to the Committee on Public Lands.

S. 3276. An act to amend the act entitled "An act to promote the production of sulphur upon the public domain within the State of Louisiana," approved April 17, 1926; to the Committee on Public Lands.

S. 3376. An act for the relief of William Burke; to the Committee on Military Affairs.

S. 3475. An act to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into

the Union of the State of Wyoming; to the Committee on Territories.

S. 3654. An act to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws; to the Committee on Indian Affairs.

S. 3908. An act to amend title 33, chapter 4, section 252, paragraph (a) of the Navigation Rules for the Great Lakes and Their Connecting and Tributary Waters; to the Committee on Merchant Marine, Radio, and Fisheries.

S. J. Res. 7. Joint resolution for the amendment of the acts of February 2, 1903, and March 3, 1905, as amended, to allow the States to quarantine against the shipment thereto or therein of livestock, including poultry, from a State or Territory or portion thereof where a livestock or poultry disease is found to exist which is not covered by regulatory action of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 252. Joint resolution to authorize the Interstate Commerce Commission to make an investigation as to the possibility of establishing a 6-hour day for railway employees.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Tuesday, March 15, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. RAINEY submitted the following tentative list of committee hearings scheduled for Tuesday, March 15, 1932, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

General legislation.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Railroad holding companies (H. R. 9059).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

Provision for exclusion and expulsion of alien communists (H. R. 1967 and H. R. 4579).

EXECUTIVE COMMUNICATIONS, ETC.

483. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting a request that the Congress give consideration to immediate appropriation of the funds for the maintenance and improvement of existing river and harbor works in order that we may avoid the unemployment and dislocation which will rise from such delay (H. Doc. No. 272), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KARCH: Committee on Foreign Affairs. H. J. Res. 193. A joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; without amendment (Rept. No. 800). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 10486. A bill granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war; without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 2548. A bill granting an increase of pension to Katherine L. Cushing; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 695. A bill for the relief of the estate of George B. Spearin, deceased; without amendment (Rept. No. 794). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 2757. A bill for the relief of Jack Schneider; without amendment (Rept. No. 795). Referred to the Committee of the Whole House.

Mr. MILLER: Committee on Claims. H. R. 5920. A bill for the relief of Rosa E. Browning; without amendment (Rept. No. 796). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 6382. A bill for the relief of Royce Wells; with amendment (Rept. No. 797). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7301. A bill for the relief of William J. Fleming; with amendment (Rept. No. 798). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 8108. A bill to reimburse M. P. Creath for taxes illegally assessed; without amendment (Rept. No. 799). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURTNESS: A bill (H. R. 10487) to amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies to which the powers of the Federal reserve system shall be directed; to raise the commodity price level to the stage on which the greater part of the existing debts were incurred, and to stabilize it thereafter at that stage, in so far as it can be done by monetary and credit policy; to promote thereby the stability of commerce, industry, agriculture, and employment, and for other purposes; to the Committee on Banking and Currency.

By Mr. SMITH of Virginia: A bill (H. R. 10488) to appoint a commission to establish the boundary line between the District of Columbia and the State of Virginia; to the Committee on the District of Columbia.

By Mrs. NORTON: A bill (H. R. 10489) to provide for the extension and widening of Michigan Avenue in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. CORNING: A bill (H. R. 10490) to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class; to the Committee on Interstate and Foreign Commerce.

By Mr. HOUSTON of Hawaii: A bill (H. R. 10491) to amend section 100 of the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900; to the Committee on the Territories.

By Mr. HARTLEY: A bill (H. R. 10492) to regulate the shipment in interstate commerce, the manufacture, sale, importation, exportation, and use (except for lawful purposes) of explosives, brass knuckles, stiletos, machine guns, tear gas, tear bombs, and other weapons and instrumentalities used in the perpetration of crimes of violence; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGHTON: A bill (H. R. 10493) to provide for the coinage of a half-cent piece; to the Committee on Coinage, Weights, and Measures.

By Mr. MEAD: A bill (H. R. 10494) to provide a postage charge on notices to publishers regarding undeliverable second-class matter; to the Committee on the Post Office and Post Roads.

By Mr. SWING: A bill (H. R. 10495) amending an act of Congress approved February 28, 1919 (40 Stat. L. 1206), granting the city of San Diego certain lands in the Cleveland National Forest and the Capitan Grande Indian Reservation for dam and reservoir purposes for the conservation of water, and for other purposes, so as to include additional lands; to the Committee on the Public Lands.

By Mr. THATCHER: Joint resolution (H. J. Res. 333) proposing an amendment to the Constitution of the United States providing for the method of amending it; to the Committee on the Judiciary.

By Mr. JONES: Joint resolution (H. J. Res. 334) authorizing allocation of funds by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. UNDERWOOD: A bill (H. R. 10486) granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war; to the Committee on Invalid Pensions.

By Mr. BARTON: A bill (H. R. 10496) for the relief of the city of Lebanon in Laclede County, Mo., a municipal corporation; to the Committee on Claims.

By Mr. BLAND: A bill (H. R. 10497) for the relief of A. F. Amory; to the Committee on the Judiciary.

By Mr. BURTNESS: A bill (H. R. 10498) for the relief of Leslie Jensen; to the Committee on Claims.

By Mr. CONNERY: A bill (H. R. 10499) for the relief of Andrew J. Wendling; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 10500) for the relief of Joseph Leo Burns; to the Committee on Naval Affairs.

By Mr. DE ROUEN: A bill (H. R. 10501) providing for an examination and survey of the Lake Charles Deep Water Channel, La.; to the Committee on Rivers and Harbors.

By Mr. FULMER: A bill (H. R. 10502) for the relief of the Rowesville Oil Co.; to the Committee on Claims.

By Mr. GIFFORD: A bill (H. R. 10503) to authorize the donation of certain land to the town of Bourne, Mass.; to the Committee on Military Affairs.

By Mr. HARE: A bill (H. R. 10504) for the relief of Farmers' Storage & Fertilizer Co., of Aiken, S. C.; to the Committee on Claims.

By Mr. HARTLEY: A bill (H. R. 10505) for the relief of Richard J. Barrett; to the Committee on Naval Affairs.

By Mr. HOPKINS: A bill (H. R. 10506) granting an increase of pension to Sarah E. Turpin; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 10507) granting an increase of pension to Martha E. Cottrill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10508) granting a pension to Elber Hostetter; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 10509) for the relief of Frank P. Ross; to the Committee on Agriculture.

Also, a bill (H. R. 10510) for the relief of Earl A. Ross; to the Committee on Agriculture.

By Mr. KOPP: A bill (H. R. 10511) granting a pension to Carl H. Stellern; to the Committee on Pensions.

By Mr. NELSON of Maine: A bill (H. R. 10512) granting a pension to Isaac Heal, jr.; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 10513) granting an increase of pension to Mary E. Schofield; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 10514) to authorize a preliminary examination and survey for a waterway from the ocean to Titusville, Fla.; to the Committee on Rivers and Harbors.

By Mr. SANDERS of Texas: A bill (H. R. 10515) for the relief of Dick Isbell; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 10516) providing for the examination and survey of the channel in Shrewsbury River, N. J.; to the Committee on Rivers and Harbors.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4206. By Mr. CONNERY: Petition of veterans and citizens of Beloit, Wis., favoring immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

4207. Also, petition of veterans and citizens of American Legion Post, No. 209, Akron, Ohio, favoring immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

4208. By Mr. EVANS of California: Petition signed by approximately 77 citizens, opposing any resubmission of the eighteenth amendment to the States, etc.; to the Committee on the Judiciary.

4209. By Mr. GOODWIN: Petition of Emil Johnson and 37 other citizens, residents of and in the vicinity of Pine City and Braham, Minn., entering their protest against the enactment of House bill 8092, which is a bill seeking to compel barbers to observe Sunday in the District of Columbia, and thereby, if this bill is passed, establishes a dangerous legal precedent for a flood of Sunday blue law legislation, and expressive of their belief in the American ideals of separation of church and state, and expressing their belief in the free exercise of religion, and in opposition to any law that might interfere with the guaranties of civil and religious liberty; to the Committee on the District of Columbia.

4210. Also, petition of the city council of the city of Minneapolis, Minn., urging upon Congress the enactment of House Resolution 1 to provide for the immediate payment in full of all soldiers' adjusted-service certificates, and thus fulfill the obligation of the Government to the soldiers of the United States in the late World War; approved March 11, 1932; to the Committee on Ways and Means.

4211. By Mr. HAUGEN: Petition of 44 citizens of Rowley, Iowa, and vicinity, supporting the maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

4212. By Mr. LAMBETH: Petition of North Wilkesboro (N. C.) Woman's Christian Temperance Union, opposing the resubmission of the eighteenth amendment to be ratified by State conventions or by State legislatures, and favoring adequate appropriations for law enforcement, etc.; to the Committee on the Judiciary.

4213. By Mr. HOGG of West Virginia: Petition of National Federation of Post Office Clerks, requesting that special-delivery messengers of Milwaukee be given a classification and be placed under the status of civil service; to the Committee on the Civil Service.

4214. Also, petition of Mingo County Unit of Railway Employees' and Taxpayers' Association, urging the enactment of such legislation as will provide relief for the railroads and their employees and safeguard the public against the present monopolized condition of the highways by unregulated forms of commercial transportation; to the Committee on Interstate and Foreign Commerce.

4215. Also, petition of Huntington Unit Railway Employees' and Taxpayers' Association of West Virginia, requesting Congress to enact such legislation as will provide relief for the railroads and their employees; to the Committee on Interstate and Foreign Commerce.

4216. By Mr. JAMES: Memorial of Antoni Augustynowicz, president, Audyzej Stachowicz, secretary, and Alex Sokotowski, treasurer, Group No. 1326 of the Polish National Alliance of North America, Ironwood, Mich., memorializing Congress

to enact House Joint Resolution 144; to the Committee on the Judiciary.

4217. By Mr. LINDSAY: Petition of National Live Stock Marketing Association, Chicago, Ill., opposing the 2¼ per cent tax on lard, sausage, cooked and canned meats as outlined in the inclosed statement; to the Committee on Ways and Means.

4218. Also, petition of Malt-Diastase Co., Brooklyn, N. Y., opposing the 35-cent per gallon on malt syrup or malt extract; to the Committee on Ways and Means.

4219. Also, petition of National Alliance of the Theater, New York City, opposing the admission tax of 10 per cent; to the Committee on Ways and Means.

4220. Also, petition of American Exporter, New York City, protesting against the inclusion of an impost on imported oil; to the Committee on Ways and Means.

4221. Also, petition of Ellis Ames, of Philadelphia, Pa., and 24 other citizens of various parts of the United States, favoring the passage of the Beck-Linthicum resolution; to the Committee on Ways and Means.

4222. By Mr. LINTHICUM: Petition of Frederick C. Shipley, of Fort Bayard, N. Mex.; Frank E. Morrison, of Halthorpe; R. M. Smith, of Brooklyn, Md.; Leo W. Shanks, Felix Lewandowski, George A. Griswold, Courtney E. Beaver, Dominick Pace, Kenneth Bowers, William West, Charles F. Funk, J. V. Le Brell, Howard Carr, M. Faby, William H. Hopkins, Marion R. McCauley, James Robinson, George D. Price, Clarence S. Britton, August F. Mack, Charles C. Culison, G. N. Holden, and Lucy Baber, of Baltimore, Md.; and William M. Stuart, urging prompt passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

4223. Also, petition of Ellen Hopkins, of East Orange, N. J.; Hector D. Jerekios, of New York City; Mrs. Irving Hardesty and Mattie Kronenberger, of New Orleans, La.; Alfred and Isabel Clark, of Doylestown; Ira E. Lady Post, of Biglerville; Mrs. W. C. McClellan, of Greensburg; Mrs. H. H. Bushnell, of Scranton; and Rev. George D. Kuns, of Doylestown, Pa.; Alice F. Drechsler, of Minneapolis, Minn.; Jane W. Ramsay, of New York City; Elizabeth Rankin and others; Louis V. Bennentt, of San Diego, Calif.; Anna I. Miller; and the Young Men's Christian Association, of Baltimore Md.; and the Women's International League for Peace and Freedom, of Minneapolis, Minn., indorsing House Joint Resolution No. 137 prohibiting exportation of arms and munitions; to the Committee on Foreign Affairs.

4224. By Mr. NELSON of Maine: Petition of R. H. Willis and 40 other citizens of Gardiner, Me., and Beulah Richardson and 16 others from surrounding towns, protesting against the passage of the compulsory Sunday observance bill, H. R. 8092, or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

4225. By Mr. PARTRIDGE: Resolution adopted by the Maine Woman's Christian Temperance Union at a State regional conference at Lewiston, Me., opposing the resubmission of the eighteenth amendment, and favoring adequate appropriations for law enforcement and for education in law observance; to the Committee on the Judiciary.

4226. By Mr. PATMAN: Petition of American Legion Posts from the following cities and towns of Texas, submitted by O. W. Whitaker, department adjutant of Austin, Tex.: Port Arthur, McAllen, Brenham, Albany, San Marcos, Bryan, Pharr, Alice, Edcouch, Crandall, Goliad, McGregor, Wills-point, Woodsboro, Carrizo Springs, Houston, Weslaco, Garland, Moran, Ennis, Bronte, Robert Lee, Whitesboro, Cotulla, Rising Star, Bishop, Mount Vernon, Odessa, Aransas Pass, Marble Falls, Royse City, Mason, Liberty Hill, Cooper, Goldthwaite, Emory, Tyler, Marlin, Gatesville, Orange, Pecos, McKinney, Edna, Stamford, Sweetwater, Lometa, Cisco, Hamlin, Navasota, Georgetown, Blessing, Mount Pleasant, East Bernard, Farmersville, Lexington, Decatur, Archer City, and Junction, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4227. Also, petition of T. Marsh and 533 other members of American Legion Post, No. 377, Houston, Tex., urging im-

mediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4228. Also, petition of J. E. McMillan and 1,024 other citizens, business men, and veterans of Houston, Corpus Christi, Galveston, La Grange, Baytown, Bryan, Austin, San Antonio, Goose Creek, Nederland, Bastrop, Orchard, Orange, New Gulf, Seabrook, Johnson City, La Porte, Cedar Bayou, Conroe, Ingleside, Highland, Eagle Lake, Texas City, Hobby, Grapeland, Friendswood, Brenham, Yoakum, Victoria, Brownsville, Longview, Hearne, Taylor, Brookshire, Matagorda, Bertram, Pelly, Moulton, Hitchcock, El Campo, Kingsville, Alto Loma, Waco, Edinburg, Ore City, Sour Lake, Richmond, Needville, Rhombsboro, Raywood, Navasota, Sweetwater, Overton, Warrenton, Stephenville, Sherman, Plainview, Goldthwaite, Rosenberg, Sugar Land, Wallis, Wharton, Texarkana, Dallas, Huntsville, Elgin, Webster, Sealy, Wells, Gilmer, Georgetown, Fort Worth, Columbus, Cameron, Lufkin, Nacogdoches, Cuero, La Marque, Hockley, Marshall, Liberty, Port Lavaca, and Bellaire, Tex., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4229. Also, petition of J. A. Carter and 195 other citizens and veterans of Kelso and Longview, Wash., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4230. Also, petition of Charles A. Mayo and 94 other veterans of Seattle, Wash., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4231. Also, petition of E. D. Smith and 200 other citizens and veterans of Tacoma, Wash., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4232. Also, petition of Charles S. Yoakum and 485 other citizens and veterans of Boise, Idaho, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4233. Also, petition of W. W. McNair and 31 other citizens and veterans of Middleton, Idaho, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4234. Also, petition of Henry Johnson and 119 other citizens and veterans of Orofino, Idaho, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4235. Also, petition of John Martin and 29 other citizens and veterans of Clinton, Iowa, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4236. Also, petition of A. D. Tucker and 100 other citizens and veterans of Clarion, Iowa, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4237. Also, petition of John E. Hickey and 134 other citizens and veterans of Marshallton, Iowa, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4238. Also, petition of R. M. Little and 138 other citizens and veterans of Chattanooga, Tenn., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4239. Also, petition of Samuel T. Hawkins and 447 other citizens and veterans of Johnson City, Tenn., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4240. Also, petition of Chester G. McCarthy and 195 other veterans of Chelsea Naval Hospital, Chelsea, Mass., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4241. Also, petition of Joseph H. Busby and 55 other citizens and veterans of Richmond, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4242. Also, petition of L. C. White and 25 other citizens and veterans of Dunkirk, Ind., urging immediate cash pay-

ment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4243. Also, petition of A. C. Copeland and 227 other citizens and veterans of Anderson and Elwood, Ind., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4244. Also, petition of Fred Z. Rankin and 80 other citizens and veterans of Tallahassee, Fla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4245. Also, petition of Vinson D. O'Brien and 199 other citizens and veterans of Helena and Butte, Mont., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4246. Also, petition of William Blum and 334 other veterans, National Military Home, Togus, Me., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4247. Also, petition of D. R. Green and 139 other citizens and veterans of Heidelberg, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4248. Also, petition of J. I. Crocker and 240 other citizens and veterans of Bruce, Sarepta, Pittsboro, and Calhoun City, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4249. Also, petition of R. M. Hendrix and 139 other citizens of Hattiesburg, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4250. Also, petition of Ed Wood and 139 other citizens and veterans of Verona, Tupelo, Shannon, and Dorsey, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4251. Also, petition of H. W. Rivers and 251 other citizens and veterans of Winona, Eupora, Stewart, and Kilmichael, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4252. Also, petition of Robert H. Hancock and 84 other citizens and veterans of Bay Springs, Sylvarena, Lake Como, Waldrup, Rose Hill, and Lavin, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4253. Also, petition of Barton Powell and 30 other citizens and veterans of Mize, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4254. Also, petition of E. D. Rander and 199 other citizens and veterans of Weatherly, Mendenhall, Shivers, Magee, Mize, Pineville, Raleigh, Pinalo, and Taylorsville, Miss., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4255. Also, petition of Clarence Shurbel and four other veterans of Ionia and Green Ridge, Mo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4256. Also, petition of C. E. Porter and 279 other citizens and veterans of Poplar Bluff, Mo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4257. Also, petition of Calvin Smith and 849 other citizens and veterans of Kansas City, Mo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4258. Also, petition of S. E. Foster and 139 other citizens and veterans of Appleton City, Mo., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4259. Also, petition of Charlie Johnson and 200 other citizens and veterans of Alton, Couch, and Thomasville, Mo., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4260. Also, petition of James E. Delaney and 54 other citizens and veterans of Glasgow, Mo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4261. Also, petition of G. W. Dale and 83 other citizens and veterans of Bardley and Doniphan, Mo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4262. Also, petition of William C. Snow and 449 other citizens and veterans of Fort Lyon, Colo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4263. Also, petition of Roy Shelby and 119 other citizens and veterans of Aurora, Colo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4264. Also, petition of Jimmie Lee Baker and 479 other citizens and veterans of Tuskegee, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4265. Also, petition of M. T. Kelly and 700 other citizens and veterans of Russellville, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4266. Also, petition of T. C. Cowan and 81 other citizens and veterans of Piedmont, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4267. Also, petition of John R. Haley and 55 other citizens and veterans of Boaz, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4268. Also, petition of R. L. Chambliss and 53 other citizens and veterans of Mobile, Ala., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4269. Also, petition of James O. Sexton and 279 other citizens and veterans of Winfield, Eldridge, Guinn, Glen Allen, and Hamilton, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4270. Also, petition of Hugh Osborn and 47 other citizens and veterans of Hackleburg, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4271. Also, petition of S. M. Tidwell and 195 other citizens and veterans of Bear Creek, Haleyville, Phil Campbell, Tuscumbia, Belgreen, and Hodges, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4272. Also, petition of Coley L. Windham and 50 other members of American Legion Post, No. 78, Sampson, Ala., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4273. Also, petition of C. F. Dittmar and 500 other citizens and veterans of Whipple, Ariz., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4274. Also, petition of Orville O. Hanchett and 195 other citizens and veterans of Peoria, Ill., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4275. Also, petition of A. F. Woherb and 149 other citizens and veterans of Wichita, Kans., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4276. Also, petition of G. A. Taylor and 152 other citizens and veterans of Alma and Baxley, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4277. Also, petition of Edwin M. Cason and 156 other citizens and veterans of Atlanta, Ga., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4278. Also, petition of Edward S. Sheppard and 2,426 other citizens and veterans of Philadelphia, Pa., and vicinity,

urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4279. Also, petition of W. D. Adams and 335 other citizens and veterans of Washington, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4280. Also, petition of William F. Poole and 17 other citizens and veterans of Athens, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4281. Also, petition of W. G. Schwarzbach and 70 other citizens and veterans of Portland, Oreg., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4282. Also, petition of Miles Loveland and 95 other citizens and veterans of Pittsburgh, Pa., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4283. Also, petition of Raymond C. Ranson and 223 other citizens and veterans of New Orleans, La., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4284. Also, petition of M. J. Foster and 255 other citizens and veterans of Monroe, La., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4285. Also, petition of J. S. Bronsard and 89 other citizens, business men, and veterans of Gueydan, Payne, Gretna, Jennings, Pineville, Lake Charles, Kaplan, Jeanette, Lafayette, and Forest Hill, La., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4286. Also, petition of Harry J. Stahl and 128 other citizens and veterans of Covington, Newport, and Dayton, Ky., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4287. Also, petition of Charlie F. Nichols and 92 other citizens and veterans of Ashland, Ky., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4288. Also, petition of John G. Smith and 45 other citizens and veterans of Hopkinsville, Ky., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4289. Also, petition of Richard Barlow and 111 other citizens and veterans of Covington, Ky., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4290. Also, petition of John Porter and 55 other citizens and veterans of Austinville, Monorat, Ivanhoe, and Cliffview, Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4291. Also, petition of Russell S. Sykes and 139 other citizens and veterans of Berkley, Portsmouth, and Norfolk, Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4292. Also, petition of W. W. Winfree and 174 other citizens and veterans of Etterick, Galax, Toshes, and Gretna, Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4293. Also, petition of L. K. Bryant and 223 other citizens and veterans of Lynchburg, Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4294. Also, petition of William G. James and 559 other citizens and veterans of Petersburg, Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4295. Also, petition of A. G. Stewart and 299 other citizens and veterans of Marion, Va., urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4296. Also, petition of J. A. Willis and 83 other citizens and veterans of Beckley, Mabscott, and Crab Orchard, W. Va., urging immediate cash payment in full of the

adjusted-service certificates; to the Committee on Ways and Means.

4297. Also, petition of James T. Watkins and 299 other citizens and veterans of Parkersburg, W. Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4298. Also, petition of R. B. Whitaker and 63 other citizens and veterans of Winding Gulf and Beckley, W. Va.; to the Committee on Ways and Means.

4299. Also, petition of D. W. Toney and 255 other citizens and veterans of Logan, W. Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4300. Also, petition of Otis M. Johnson and 449 other citizens and veterans of Wheeling, W. Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4301. Also, petition of Charles E. Shanks and 199 other citizens and veterans of Mannington, W. Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4302. Also, petition of Robert Burns and 279 other citizens and veterans of Wheeling, W. Va., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4303. Also, petition of Carl J. Benson and 449 other veterans of Bath, N. Y., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4304. Also, petition of Oliver Y. Gray and 121 other citizens and veterans of New York City, N. Y., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4305. Also, petition of Rudolph O. Bruns and 167 other citizens and veterans of Utica, N. Y., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4306. Also, petition of Thomas Maloney and 64 other citizens and veterans of Syracuse, N. Y., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4307. Also, petition of John M. Cook and 280 other citizens and veterans of New York City, N. Y., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4308. Also, petition of John Raisner and 195 other citizens and veterans of Jersey City and Union City, N. J., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4309. Also, petition of Frank White and 29 other citizens and veterans of Edgewater, N. J., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4310. Also, petition of Warren F. Connolly and 139 other citizens and veterans of Newark, N. J., and vicinity, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4311. Also, petition of F. MacDougall and nine other citizens and veterans of Flint, Mich., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4312. Also, petition of Dale A. Hawley and 223 other citizens and veterans of Ironwood, Mich., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4313. Also, petition of W. J. Ashmun and 199 other citizens and veterans of Marquette, Mich., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4314. Also, petition of Leland B. Johnson and 364 other citizens and veterans of Grand Rapids, Mich., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4315. Also, petition of Curtis Mills and 199 other citizens and veterans of Jackson, Mich., urging immediate cash pay-

ment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4316. Also, petition of Joe Perma and 196 other citizens and veterans of Pontiac, Mich., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4317. Also, petition of A. M. Haley and 111 other citizens and veterans of Bemidji, Minn., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4318. Also, petition of Edward F. White and 28 other citizens and veterans of Oelrichs, S. Dak., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4319. Also, petition of Ivor R. Thomas and 224 other citizens and veterans of Hot Springs, S. Dak., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4320. Also, petition of Joseph F. Podojil and 34 other citizens and veterans of Eagle Butte, S. Dak., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4321. Also, petition of William R. Hicks and 62 other citizens and veterans of Chesnee, Mayo, and Cowpens, S. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4322. Also, petition of H. L. Taylor and 102 other citizens and veterans of Belton, Anderson, and Pendleton, S. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4323. Also, petition of J. M. Lancaster and 76 other citizens and veterans of Drayton, S. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4324. Also, petition of J. E. Dearman and 167 other citizens and veterans of Spartanburg, S. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4325. Also, petition of Richard T. Green and 111 other citizens and veterans of Pacolet Mills, S. C., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4326. Also, petition of W. D. English and 223 other veterans of San Fernando, Calif., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4327. Also, petition of Leo C. Townsend and 161 other citizens and veterans of McAlester, Crowder, and Adamson, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4328. Also, petition of Albert Orner and 39 other citizens and veterans of Alderson, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4329. Also, petition of H. B. Hayes and 73 other citizens and veterans of Savanna, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4330. Also, petition of Henry Hakett and 279 other citizens and veterans of Allen, Lula, and Ada, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4331. Also, petition of Theodore E. Drumon and 649 other citizens and veterans of Syracuse, N. Y., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4332. Also, petition of J. C. Northcutt and 97 other citizens and veterans of Oklahoma City, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4333. Also, petition of L. G. Beard and 362 other citizens and veterans of Ardmore, Okla., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4334. Also, petition of Joseph J. Conlon and 140 other citizens and veterans, Plainfield, N. J., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4335. Also, petition of Joe Cyril Maido and 76 other veterans of Denver and Burlington, Colo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4336. Also, petition of William Allee and 80 other citizens of Fort Smith, Ark., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4337. Also, petition of Willard H. Perry and 134 other citizens and veterans of Callao, Mo., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4338. Also, petition of American Legion Post, No. 215, Fowlerville, Mich., submitted by Charles H. Coll, adjutant of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4339. Also, petition of American Legion Post, No. 580, Monaca, Pa., submitted by J. E. Chaffee, chairman of committee of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4340. Also, petition of American Legion Post, No. 54, Princeton, W. Va., submitted by B. E. Smith, commander, and L. L. Lambert, adjutant, of said post; urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4341. Also, petition of American Legion Post, No. 384, Willow Springs, Mo., submitted by James J. Curley, adjutant of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4342. Also, petition of American Legion Post, No. 114, Covington, Va., submitted by Cleveland Buchanan, service officer of said post, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4343. Also, petition of American Legion Post, No. 4, Rushville, Ill., submitted by William J. Long, commander of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4344. Also, petition of the following business firms of Dallas, Tex.: Victory Wilson (Inc.), M. Rude & Sons (Inc.), W. L. Douglas Shoe Co., Reynolds Penland Co., C. D. Hauger Co., Kaufman Hats (Inc.), Turner's Clothing and Furnishings, Baum & Co., Three Winners (Inc.), Stein Bros., and Dundee Clothes, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4345. Also, petition of American Legion Post, No. 159, Troy, N. C., submitted by E. A. Pipkin, adjutant of said post, indorsing immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

4346. Also, petition of Veterans of Foreign Wars, Post No. 64, Johnson City, Tenn., submitted by Milton W. Daniel, commander, and Whit Marlin, adjutant, of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4347. Also, petition of American Legion Post, No. 452, Keewatin, Minn., submitted by F. J. Peiton, commander, A. B. Olson, adjutant, and John L. Suzick of said post, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4348. Also, petition of American Legion Post, No. 38, South Berwick, Me., submitted by Charles J. Bonsaint, jr., of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

4349. Also, petition of American Legion Post, No. 149, Bremerton, Wash., submitted by John Hollingsworth, adjutant of said post, indorsing immediate payment in full of

the adjusted-service certificates; to the Committee on Ways and Means.

4350. By Mr. REED of New York: Petition of Mrs. Fred Johnson, citizenship director of the Woman's Christian Temperance Union of Jamestown, and others; the Ladies' Aid Society, Hartfield; Mrs. C. S. Casler, corresponding secretary of the Woman's Christian Temperance Union of Jamestown, and others; Rev. E. E. Evans, Olean; Rev. Otis Epperson and Rev. J. Archibald, Ellicottville; Rev. A. H. Nicholson, Rev. Walter W. Dailey, Rev. R. H. Eggleston, Rev. C. Clark Shedd, Rev. F. B. Schriener, and Captain Taylor, Salvation Army, Olean; all of the State of New York, protesting against the Beck-Linthicum bill to discharge the Judiciary Committee; to the Committee on the Judiciary.

4351. By Mr. ROBINSON: Petition signed by Rev. George C. Nothdurft and 26 other citizens, of Colesburg, Iowa, opposing the proposed amendment to the Constitution which will sanction State control of the liquor traffic. We want stricter enforcement of the eighteenth amendment, and ask you to use your influence and vote against the Beck-Linthicum resolution and work for a more dry Nation; to the Committee on the Judiciary.

4352. Also, petition signed by Clara Oelfke, Elberta E. Sanborn, and 24 other citizens of Fairbank, Buchanan County, Iowa, deploring the recent action of the opponents of prohibition in securing 145 names to a petition that requests the discharge of the Judiciary Committee from considering the Beck-Linthicum resolution on the projected constitutional amendment to sanction State control of alcoholic liquor, and respectfully request that this projected amendment and its sponsoring resolution be turned down; to the Committee on the Judiciary.

4353. By Mr. RUDD: Petition of War Veterans' Sons Association, Brooklyn, N. Y., favoring the passage of House bill 1; to the Committee on Ways and Means.

4354. Also, petition of Ellis Ames, Ballard Land Title Building, Philadelphia, and 24 other cities of the United States, favoring the passage of the Beck-Linthicum resolution; to the Committee on the Judiciary.

4355. Also, petition of National Livestock Marketing Association, Chicago, Ill., opposing the proposed sales tax of 2 1/4 per cent on lard, sausage, cooked and canned meats; to the Committee on Ways and Means.

4356. Also, petition of National Alliance of the Theater, New York City, protesting against the 10 per cent admissions tax; to the Committee on Ways and Means.

4357. Also, petition of American Exporters, New York, protesting against an impost on imported oil; to the Committee on Ways and Means.

4358. Also, petition of Malt-Disstase Co., Wyckoff Avenue and Decatur Street, Brooklyn, N. Y., opposing the tax of 35 cents per gallon on malt sirup or malt extract; to the Committee on Ways and Means.

4359. Also, petition of Allied Printing Trades Council of Greater New York, favoring the passage of the Romjue bill 8576; to the Committee on Ways and Means.

4360. By Mr. SABATH: Resolution memorializing the Congress of the United States to enact House Joint Resolution 144 to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

4361. By Mr. SWICK: Petition of Beaver County Woman's Christian Temperance Union, Mrs. M. J. Patterson, Beaver Falls, Pa., president, most earnestly protesting against the adoption of the Beck-Linthicum resolution; to the Committee on the Judiciary.

4362. By Mr. SWING: Petition signed by 22 citizens of Orange, Calif., supporting the maintenance of the prohibition law and its enforcement, and protesting any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

4363. Also, petition signed by 16 members of the San Bernardino County Chapter Reserve Officers' Association of the United States in support of the national defense act, and urging the United States to bring our Navy up to the treaty ratio, and protesting any reduction in the size of the Regular Army; to the Committee on Naval Affairs.

4364. Also, petition signed by 20 citizens of San Bernardino, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4365. Also, petition signed by 34 citizens of Dulzura and Barrett, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4366. Also, petition signed by 47 residents of San Bernardino, Calif., protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

4367. Also, petition signed by 22 members of the Imperial Valley Chapter, Reserve Officers' Association, supporting the national defense act and institutions created thereunder, and urging that the United States Navy be brought up to treaty ratio, and protesting any reduction in the size of the Regular Army; to the Committee on Appropriations.

4368. By Mr. WYANT: Telegram of Ella B. Black, president Pennsylvania Woman's Christian Temperance Union, representing 45,000 women, protesting against passage of Beck-Linthicum bill; to the Committee on the Judiciary.

4369. Also, petition of A. J. Bierer, J. A. Williams, and Joseph Giordano, of Greensburg, and Frank E. Walker, Mount Pleasant, both of the State of Pennsylvania, protesting against passage of revenue bill of 1932; to the Committee on Ways and Means.

4370. Also, petition of Mary E. Mitchell, president, and Lily Miller, treasurer, Woman's Christian Temperance Union of Belle Vernon; Mr. and Mrs. S. C. Daugherty and James Edge, of Jeannette; and Maude Taylor, of Irwin, all of the State of Pennsylvania, protesting against the passage of the Beck-Linthicum bill; to the Committee on the Judiciary.

4371. Also, petition of clergy of the Pittsburgh diocese of the Russian Orthodox Greek Catholic Church, favoring immediate Federal aid to relieve the distress caused by unemployment; to the Committee on Appropriations.

4372. Also, petition of J. F. Dietrich, of Greensburg; Wilbert B. Duncan, E. R. Goshorn, William M. Noble, S. B. Bishop, F. L. Moberg, of Latrobe; Elias Katz, burgess and Frank A. Maddas, president Victor Brewing Co., Jeannette; and Fred Vigne, Monessen, all of the State of Pennsylvania, urging support of the Beck-Linthicum bill; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 15, 1932

(Legislative day of Monday, March 14, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. JOHNSON obtained the floor.

Mr. FESS. Mr. President, will the Senator from California yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from California yield for that purpose?

Mr. JOHNSON. I yield.

Mr. FESS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Robinson, Ark.
Austin	Couzens	Jones	Robinson, Ind.
Bailey	Dale	Kean	Schall
Bankhead	Davis	Kendrick	Sheppard
Barbour	Dickinson	Keyes	Shipstead
Barkley	Dill	King	Shortridge
Bingham	Fess	La Follette	Smith
Black	Fletcher	Lewis	Smoot
Blaine	Frazier	Logan	Steiwer
Borah	George	Long	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McKellar	Townsend
Broussard	Goldsborough	McNary	Trammell
Bulkeley	Gore	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hatfield	Norbeck	Walcott
Caraway	Hawes	Norris	Walsh, Mass.
Carey	Hayden	Nye	Walsh, Mont.
Connally	Hebert	Oddie	Waterman
Coolidge	Howell	Patterson	White
Copeland	Hull	Pittman	

Mr. TOWNSEND. I wish to announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably absent. I will let this announcement stand for the day.

Mr. ROBINSON of Indiana. I desire to announce the continued illness of my colleague the senior Senator from Indiana [Mr. WATSON]. I ask that this announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The Senator from California [Mr. JOHNSON] is entitled to the floor.

FOREIGN LOANS

Mr. JOHNSON. Mr. President, in conformity with the statement recently made I am going to devote myself, I hope, for a brief period, but I fear not, to a discussion of the foreign loans and the investigation recently held by the Finance Committee in regard to the foreign loans.

Mr. President, the story of our foreign loans is a sordid tale, at once grotesque and tragic. The picture presented by the testimony in the recent investigation under the Senate resolution introduced by me was by no means complete, but for the first time in our legislative history there were disclosed certain ugly facts which enabled us fairly to understand and thoroughly to resent what has been done to the investing American public. Within any ordinary time limits no investigation could uncover all details, and the purpose of the author of the resolution was, without expense or cost to the Government, with celerity to develop enough to indicate the tortuous ways of the security seller, the wrong done the unhappy buyer, and then, although the past might be remediless, by wise legislation to endeavor to prevent a recurrence in the future. The investigation of these foreign loans was unique in one aspect. It is the only investigation of consequence and importance ever carried on by the Senate without the expenditure of a dollar for assistants or expert aid. The small cost of this investigation has been solely for shorthand reporters and the telegrams which may have been sent by the chairman of the Finance Committee. No attorney was employed, no expert or technician assisted, and no aid of any kind or any character was paid for in the investigation, which in its sensational developments finally enabled our people to know how they had been separated by clever manipulators from their savings and which by its disclosures should be far-reaching in its results. I wish at the first opportunity that has been mine very gratefully to acknowledge my obligation to the members of the press, and particularly the younger members, who in their zeal for the truth and their enthusiasm for a just cause rendered me invaluable service. Without them the results attained never could have been accomplished. I never can forget the fine spirit with which these gentlemen, recognizing the difficulties under which we labored, gave so lavishly of their time and their effort that a dazed people, whose credulity had been played upon and whose pockets had been picked, might at least learn something of how it had been done. To the present Secretary of Commerce, the Hon. Robert P. Lamont, I am indebted for most courteous and helpful cooperation in all that I asked of him. The attitude of his department during this investigation stands in sharp contrast to that of another department of our Government.

Under existing circumstances the investigation, of course, was far from complete, but sufficient has been developed to enable us readily and logically to fill in the gaps and paint the complete picture. The loans, their extraordinary amounts, the mode in which all risks were passed on to our people, and the profits appropriated by our bankers; the utterly unrestrained duping of investors, the smug